

**LEGAL ASSISTANCE OF
WESTERN NEW YORK, INC.**

**Financial Statements
as of December 31, 2024
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

May 14, 2025

To the Board of Directors of
Legal Assistance of Western New York, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Legal Assistance of Western New York, Inc. (a New York not-for-profit corporation) (LAWNY), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of LAWNY as of December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LAWNY and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LAWNY's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LAWNY's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LAWNY's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited LAWNY's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Exhibit I and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and they are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2025, on our consideration of LAWNY's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LAWNY's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LAWNY's internal control over financial reporting and compliance.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,395,978	\$ 1,073,806
Client escrow funds	43,163	32,865
Receivables	3,110,124	3,619,146
Prepaid expenses	<u>616,611</u>	<u>96,268</u>
Total current assets	6,165,876	4,822,085
RIGHT-OF-USE ASSET - OPERATING LEASES	1,950,187	1,748,347
PROPERTY AND EQUIPMENT, net	<u>104,842</u>	<u>146,890</u>
	<u>\$ 8,220,905</u>	<u>\$ 6,717,322</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,219,346	\$ 1,889,026
Client escrow funds	43,163	32,865
Deferred grant revenue	1,175,948	223,517
Current portion of operating lease liability	<u>436,301</u>	<u>400,297</u>
Total current liabilities	3,874,758	2,545,705
OPERATING LEASE LIABILITY, net of current portion	<u>1,511,163</u>	<u>1,351,007</u>
Total liabilities	5,385,921	3,896,712
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,834,984</u>	<u>2,820,610</u>
Total liabilities and net assets	<u>\$ 8,220,905</u>	<u>\$ 6,717,322</u>

The accompanying notes are an integral part of these statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024

(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Revenue and other support:		
Government and private grants	\$ 19,010,291	\$ 17,167,997
Legal Services Corporation grants	2,489,099	2,527,358
Contributed nonfinancial assets	234,338	257,471
Attorney fees	11,750	41,329
Interest income	49,416	13,051
Other	73,798	136,098
	<u>21,868,692</u>	<u>20,143,304</u>
Total revenue and other support		
Expenses:		
Program services	19,394,506	17,953,367
Management and general	2,459,812	2,132,651
	<u>21,854,318</u>	<u>20,086,018</u>
Total expenses		
Change in net assets	14,374	57,286
Net assets at beginning of year	<u>2,820,610</u>	<u>2,763,324</u>
Net assets at end of year	<u>\$ 2,834,984</u>	<u>\$ 2,820,610</u>

The accompanying notes are an integral part of these statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

(With Comparative Totals for 2023)

	Program Services	Management and General	Total	
			2024	2023
Personnel expenses:				
Lawyers	\$ 5,915,750	\$ 836,442	\$ 6,752,192	\$ 6,686,403
Paralegals	3,198,407	-	3,198,407	3,215,037
Other staff	1,280,837	614,515	1,895,352	1,847,534
Payroll taxes and employee benefits	<u>3,843,492</u>	<u>435,287</u>	<u>4,278,779</u>	<u>4,147,688</u>
Total personnel expenses	<u>14,238,486</u>	<u>1,886,244</u>	<u>16,124,730</u>	<u>15,896,662</u>
Other expenses:				
Contracted services	2,879,134	381,413	3,260,547	1,689,021
Occupancy	714,645	94,673	809,318	815,653
Contract services to clients	460,966	-	460,966	461,133
Donated services	234,338	-	234,338	257,471
Telephone and internet	148,002	19,607	167,609	169,940
Office supplies	143,271	18,980	162,251	152,517
Travel	116,206	15,394	131,600	97,317
Professional fees	65,600	-	65,600	86,328
Insurance	63,755	8,446	72,201	68,924
Library	60,107	7,963	68,070	70,692
Depreciation	51,449	-	51,449	48,151
Training	36,971	4,898	41,869	23,549
Dues and fees	35,720	4,731	40,451	54,633
Equipment rental and maintenance	34,101	4,517	38,618	40,115
Litigation	14,036	-	14,036	16,384
Other	<u>97,719</u>	<u>12,946</u>	<u>110,665</u>	<u>137,528</u>
Total other expenses	<u>5,156,020</u>	<u>573,568</u>	<u>5,729,588</u>	<u>4,189,356</u>
Total expenses	<u>\$ 19,394,506</u>	<u>\$ 2,459,812</u>	<u>\$ 21,854,318</u>	<u>\$ 20,086,018</u>

The accompanying notes are an integral part of these statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024 (With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 14,374	\$ 57,286
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	51,449	48,151
Changes in:		
Receivables	509,022	321,759
Prepaid expenses	(520,343)	32,618
Accounts payable and accrued expenses	330,320	301,642
Deferred grant revenue	952,431	114,002
Operating leases	<u>(5,680)</u>	<u>2,957</u>
Net cash flow from operating activities	<u>1,331,573</u>	<u>878,415</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	<u>(9,401)</u>	<u>(82,613)</u>
Net cash flow from investing activities	<u>(9,401)</u>	<u>(82,613)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of line of credit	<u>-</u>	<u>(300,000)</u>
Net cash flow from financing activities	<u>-</u>	<u>(300,000)</u>
CHANGE IN CASH	1,322,172	495,802
CASH - beginning of year	<u>1,073,806</u>	<u>578,004</u>
CASH - end of year	<u>\$ 2,395,978</u>	<u>\$ 1,073,806</u>

The accompanying notes are an integral part of these statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. THE CORPORATION

Legal Assistance of Western New York, Inc. (LAWNY) is a non-profit corporation organized for the purpose of providing legal assistance in non-criminal proceedings or matters to persons financially unable to afford legal assistance in the Western New York area. LAWNY was formed when Southern Tier Legal Services and Chemung County Neighborhood Legal Services, Inc. merged with Monroe County Legal Assistance Corp. in February 2004. In connection with the merger, the name of the corporation was changed from Monroe County Legal Assistance Corp. to Legal Assistance of Western New York, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). All of LAWNY's net assets were without donor restrictions at December 31, 2024 and 2023.

Cash

LAWNY maintains its cash in bank demand deposit accounts. The balances in these accounts may, at times, exceed federally insured limits. LAWNY has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash.

Client Escrow Funds

Client escrow funds consist of funds held in bank accounts by LAWNY on behalf of its clients which, at times, may exceed federally insured limits. LAWNY has not experienced any losses related to client escrow funds and believes it is not exposed to any significant credit risk with respect to these balances.

Grant Revenue, Receivables and Deferred Grant Revenue

Grant revenue includes support received from Legal Services Corporation (LSC) and other governmental and private funders. LAWNY reports grant revenue as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as releases from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements. Grant revenue is recognized as the related costs are incurred. Amounts received in advance of incurring the related costs are reported as deferred revenue. Conditional grants, including promises to give, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Certain grants are subject to audit by the grantor. Any changes resulting from these audits are recognized in the year they become known.

An allowance is made for uncollectible grants based upon management's judgment and analysis of the creditworthiness of the grantors, past collection experience and other relevant factors. No allowance was considered necessary as of December 31, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is recorded at cost. Property and equipment acquired with LSC funds (including leasehold improvements) is considered to be owned by LAWNY while used in the program or in future authorized programs. However, LSC retains a reversionary interest in these assets, as well as the right to determine the use of any proceeds from the sale of assets purchased with its funds. LAWNY's policy is to capitalize all additions in excess of \$5,000 with a useful life greater than one year. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets (ranging from 5 to 40 years).

Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of donated legal services for clients and are reflected in the accompanying statements at their estimated fair value at the date of receipt.

Volunteers have donated significant amounts of time in support of LAWNY'S activities. The value of these services is not reflected in the accompanying financial statements as they do not meet the criteria for recognition under GAAP.

Leases

LAWNY determines if an arrangement is a lease at inception. LAWNY reassesses the determination of whether an arrangement is a lease if the terms and conditions of the contract are changed. Right of use (ROU) assets represent LAWNY's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when LAWNY is reasonably certain to exercise these options.

For all underlying classes of assets, LAWNY has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that LAWNY is reasonably certain to exercise. LAWNY recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

For all classes of underlying assets, LAWNY elected to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable, and also elected to not separate the lease and non-lease components of a contract and to account for it as a single lease component.

In evaluating contracts to determine if they qualify as a lease, LAWNY considers factors such as if LAWNY obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Expense Allocations

The statement of functional expenses presents expenses by both functional and natural classification. Certain classifications of expenses are attributable to program and management and general functions and are allocated to the reported functional columns. These expenses include salaries and benefits which are allocated based on time and effort. All other expenses are charged based on direct usage.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

LAWNY is exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. LAWNY has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with LAWNY's financial statements as of and for the year ended December 31, 2023, from which the summarized information was derived.

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. LIQUIDITY

LAWNY had financial assets available to meet cash needs for general expenditures in the subsequent year of the following at December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 2,395,978	\$ 1,073,806
Receivables	<u>3,110,124</u>	<u>3,619,146</u>
	<u>\$ 5,506,102</u>	<u>\$ 4,692,952</u>

LAWNY is substantially supported by grants and is dependent upon receipt of its receivables and the continued maintenance of this funding. LAWNY maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As more fully described in Note 7, LAWNY has a line of credit in the amount of \$750,000, which it could draw upon in the event of an unanticipated liquidity need.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Building and improvements	\$ 180,177	\$ 170,776
Furniture and equipment	255,993	255,993
Leasehold improvements	<u>317,609</u>	<u>317,609</u>
	753,779	744,378
Less: Accumulated depreciation	<u>(648,937)</u>	<u>(597,488)</u>
	<u>\$ 104,842</u>	<u>\$ 146,890</u>

Property and equipment purchased with LSC funds consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	105,499	105,499
Less: Accumulated depreciation	<u>(59,408)</u>	<u>(54,287)</u>
	<u>\$ 46,091</u>	<u>\$ 51,212</u>

5. LSC FUNDING

LSC awarded LAWNY Basic Field Grant funding of \$2,587,596 in both 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Basic Field Grant	\$ 2,360,512	\$ 2,492,275
Derivative income	6,595	3,853
Refundable advances	<u>220,488</u>	<u>91,468</u>
	<u>\$ 2,587,596</u>	<u>\$ 2,587,596</u>

Additionally, LSC awarded LAWNY Technology Initiative Grant (TIG) funding of \$30,523 and \$31,230, respectively, in 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
TIG (Special Purpose Support)	\$ 30,523	\$ 31,230

LSC grant funding is restricted, to be used only for purposes authorized under the Legal Services Corporation Act of 1974, as amended.

LAWNY, as a stipulation in its contract with LSC, may not carry forward unused LSC funds in excess of 10% of total LSC support to the following year. For the years ended December 31, 2024 and 2023, LSC funds carried over from the previous year did not exceed 10% of LSC support. As of December 31, 2024 and 2023, the amount of LAWNY's unexpended LSC Basic Field Grant funds was \$220,488 (8.5%) and \$91,468 (3.5%), respectively.

6. PRIVATE ATTORNEY INVOLVEMENT

LAWNY, as a stipulation of its contract with LSC, is required to expend an amount equal to at least 12.5% of its LSC annualized Basic Field Grant award towards a Private Attorney Involvement (PAI) Program. For 2024, 12.5% of LSC's Basic Field Grant award of \$2,587,596 amounted to \$323,450. In 2024, LAWNY expended \$410,103 for the PAI Program, or 15.8% of the LSC Basic Field Grant award. A summary of PAI related expenditures for 2024 is as follows:

Personnel	\$	318,588
Contract services to client		75,000
Contract services to program		2,528
Other		<u>13,987</u>
Total PAI related expenditures	\$	<u>410,103</u>

LAWNY awarded \$75,000 of LSC funds to Volunteer Legal Services Project of Monroe County, Inc. (VLSP) which is reported above as contract services to client. VLSP has agreed to provide legal representation through volunteers to a minimum of 120 persons and brief assistance, consultation and advice to a minimum of 545 persons in Monroe County who meet financial and other eligibility criteria, as established by LSC.

7. LINE OF CREDIT

LAWNY has a \$750,000 line of credit with a bank bearing interest at the prime rate plus 1.5% (9.00% at December 31, 2024). At December 31, 2024 and 2023, there were no outstanding balances on the line of credit.

8. OPERATING LEASES

LAWNY leases office space under operating leases that expire at various dates through September 2030. Options to renew are not included in the current lease terms since it is not reasonably certain that the renewal options will be exercised.

Future maturities under the terms of LAWNY's operating lease agreements are as follows for the years ending December 31:

2025	\$	480,944
2026		425,051
2027		414,817
2028		310,228
2029		295,762
Thereafter		<u>139,943</u>
Total lease payments		2,066,745
Less: Present value discount		<u>(119,281)</u>
Total present value of lease liabilities		1,947,464
Less: Current portion		<u>(436,301)</u>
Long-term portion of lease liabilities	\$	<u>1,511,163</u>

8. OPERATING LEASES (Continued)

Lease cost consisted of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ <u>585,051</u>	\$ <u>594,382</u>

Cash paid on operating lease liabilities in 2024 and 2023 was approximately \$577,000 and \$582,000, respectively. LAWNY obtained right of use assets in exchange for lease obligations of approximately \$716,000 and \$310,000 in 2024 and 2023, respectively.

Other information related to operating leases is as follows as of December 31:

Weighted average remaining lease term:	<u>2024</u> 4.87 years	<u>2023</u> 5.44 years
Weighted average remaining discount rate:	<u>2024</u> 2.63%	<u>2023</u> 2.42%

9. CONCENTRATIONS

For the years ended December 31, 2024 and 2023, LSC, Emergency Rental Assistance Program (ERAP), NYS Interest on Lawyer Account Fund (IOLA) and NYS Office of Court Administration (OCA) programs accounted for 63% and 60%, respectively, of LAWNY's total revenue.

10. RETIREMENT PLAN

LAWNY sponsors a defined contribution plan for substantially all employees that have achieved at least one year of service. Contributions to the plan are discretionary and are determined by the LAWNY Board of Directors. LAWNY made contributions of \$182,277 and \$187,311 to the plan during the years ended December 31, 2024 and 2023, respectively.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 14, 2025, which is the date the financial statements were available to be issued.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

**SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS FOR LSC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit I

	Basic Field <u>Grant</u>	Private Attorney <u>Involvement</u>	PBIF GT-P-00014 <u>Grant</u>	Excess 2023 <u>Carryover</u>	<u>Property</u>	<u>Total</u>
REVENUE:						
LSC grants	\$ 1,957,004	\$ 410,103	\$ 30,524	\$ 91,468	\$ -	\$ 2,489,099
Attorney fees	943	-	-	-	-	943
Interest income	5,653	-	-	-	-	5,653
Total revenue:	<u>1,963,600</u>	<u>410,103</u>	<u>30,524</u>	<u>91,468</u>	<u>-</u>	<u>2,495,695</u>
EXPENSES:						
Personnel expenses:						
Lawyers	655,580	134,901	-	17,152	-	807,633
Paralegals	238,284	61,920	17,275	5,470	-	322,949
Other staff	244,459	39,401	1,820	3,518	-	289,198
Payroll taxes and employee benefits	544,396	82,366	2,504	34,094	-	663,360
Total personnel expenses:	<u>1,682,719</u>	<u>318,588</u>	<u>21,599</u>	<u>60,234</u>	<u>-</u>	<u>2,083,140</u>
Other expenses:						
Occupancy	115,580	5,057	2,773	18,952	-	142,362
Contract services to clients	-	75,000	-	-	-	75,000
Contract services	48,005	2,529	753	3,317	-	54,604
Telephone and internet	25,542	2,271	389	3,412	-	31,614
Insurance	23,152	1,267	180	-	-	24,599
Office supplies	17,462	93	-	2,508	-	20,063
Library	13,344	1,698	218	777	-	16,037
Travel	6,200	947	1,033	228	-	8,408
Equipment rental and maintenance	6,824	-	-	724	-	7,548
Depreciation	-	-	-	-	5,121	5,121
Training	1,930	-	1,450	69	-	3,449
Professional fees	3,286	-	-	140	-	3,426
Litigation	2,946	336	-	137	-	3,419
Other	16,610	2,317	2,129	970	-	22,026
Total other expenses	<u>280,881</u>	<u>91,515</u>	<u>8,925</u>	<u>31,234</u>	<u>5,121</u>	<u>417,676</u>
Total expenses	<u>1,963,600</u>	<u>410,103</u>	<u>30,524</u>	<u>91,468</u>	<u>5,121</u>	<u>2,500,816</u>
CHANGE IN NET ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,121)</u>	<u>(5,121)</u>
NET ASSETS - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,212</u>	<u>51,212</u>
NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,091</u>	<u>\$ 46,091</u>

See accompanying notes to schedule of federal awards.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 14, 2025

The Board of Directors of
Legal Assistance of Western New York, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Legal Assistance of Western New York, Inc. (LAWNY), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated May 14, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LAWNY's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAWNY's internal control. Accordingly, we do not express an opinion on the effectiveness of LAWNY's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of LAWNY's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAWNY's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LAWNY's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LAWNY's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

May 14, 2025

The Board of Directors of
Legal Assistance of Western New York.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Legal Assistance of Western New York, Inc.'s (LAWNY) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of LAWNY's major federal programs for the year ended December 31, 2024. LAWNY's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, LAWNY complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of LAWNY and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of LAWNY's compliance with the compliance requirements referred to above.

Responsibilities for Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to LAWNY's federal programs.

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(Continued)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LAWNY's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about LAWNY's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding LAWNY's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of LAWNY's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of LAWNY's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the compliance requirements of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

(Continued)

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**
(Continued)

Report on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Legal Services Corporation:				
Basic Field Grant	9.23313	233130	\$ 2,458,575	\$ 75,000
Technology Initiative Grant	9.23313	AD-P00016	<u>30,524</u>	<u>-</u>
Total Legal Services Corporation			<u>2,489,099</u>	<u>75,000</u>
U.S. Department of Health and Human Services:				
Passed through the NYS Office for the Aging - Special Programs for the Aging Title III, Part B, Grants for Supported Services and Senior Centers further passed through the following organizations and counties:				
Monroe County	93.044	Not available	140,841	-
Livingston County	93.044	Not available	25,290	-
Ontario County	93.044	Not available	74,230	-
Proaction of Steuben & Yates Counties	93.044	Not available	25,000	-
Seneca County	93.044	Not available	11,584	-
Wayne County	93.044	Not available	20,000	-
Tioga Opportunities, Inc.	93.044	Not available	5,948	-
Tompkins County	93.044	Not available	15,698	-
Chautauqua County	93.044	Not available	30,000	-
Allegany County	93.044	Not available	6,681	-
Steuben County	93.044	Not available	<u>15,975</u>	<u>-</u>
			371,247	-
Passed through NYS Department of Health - Children's Health Insurance Program further passed through NY Community Service Society NY				
	93.767	Not available	103,073	-
Passed through NYS Department of Health - Medical Assistance Program further passed through NY Community Service Society NY				
	93.778	Not available	<u>74,805</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>549,125</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Fair Housing Initiative Program	14.408	FH700G13068	376,580	-
Education and Outreach Initiatives	14.416	FEOI210049	79,443	-
Eviction Protection Grant Program	14.537	EP-21-NY-009	605,156	25,074
Passed through the City of Rochester, Office of Human Services - Community Development Block Grants further passed through Legal Aid Society of Rochester				
	14.225	B15MC36003	30,232	-
Passed through the NYS Office of Temporary and Disability Assistance - Solutions to End Homelessness Program				
	14.231	C00545GG	<u>114,136</u>	<u>22,981</u>
Total U.S. Department of Housing and Urban Development			<u>1,205,547</u>	<u>48,055</u>

(Continued)

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Justice:				
Passed through NYS Office of Victims Service - Crime Victim Assistance further passed through:	16.575	OVS01-C11290GG-1080200	141,056	-
Arbor Housing and Development	16.575	Not available	88,985	-
Empire Justice Center	16.575	Not available	88,214	-
Family Counseling of the Finger Lakes	16.575	Not available	4,370	-
Survivor Advocacy Center	16.575	Not available	17,000	-
The Salvation Army Safehouse	16.575	Not available	61,914	-
			401,539	-
Legal Assistance for Victims	16.524	2012-WL-AX-0027	218,160	28,046
Passed through NYS Division of Criminal Justice Services - Violence Against Women Formula Grants	16.588	C00325GG	49,818	28,133
			669,517	56,179
Total U.S. Department of Justice				
Corporation for National and Community Service:				
Passed through NYS Office of Children and Family Services - State Commissions	94.003	C027004	400,254	-
U.S Department of Treasury:				
Emergency Rental Assistance Program	21.023	C00881GG	1,253,629	465,306
			\$ 6,567,171	\$ 644,540

The accompanying notes are an integral part of this schedule.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2024

1. GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the award activity of Legal Assistance of Western New York, Inc. (LAWNY) under programs of the federal government for the year ended December 31, 2024, and has been prepared in accordance with accounting principles generally accepted in the United States. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of LAWNY, it is not intended to and does not present the financial position, changes in net assets or cash flows of LAWNY.

2. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COSTS

LAWNY has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The Independent Auditor's Report expresses an unmodified opinion on whether the financial statements of Legal Assistance of Western New York, Inc. (LAWNY) are presented in accordance with accounting principles generally accepted in the United States of America.
2. No significant deficiencies or material weaknesses related to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of LAWNY, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditor's Report on Compliance for Each Major Program for the Organization's major federal award programs expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance.
7. The following programs were tested as major programs:
 - Legal Services Corporation Basic Field Grant – ALN 9.233130
 - Emergency Rental Assistance Program – ALN 21.023
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. LAWNY was determined to not be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.