

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

**Financial Statements
as of December 31, 2025
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

April 29, 2026

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, 2025, 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, 2025, and the changes 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 previously audited LAWNY's December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, 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 April 29, 2026, 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, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,272,564	\$ 2,395,978
Client escrow funds	77,755	43,163
Receivables	5,118,723	3,110,124
Prepaid expenses	<u>651,905</u>	<u>616,611</u>
Total current assets	7,120,947	6,165,876
RIGHT-OF-USE ASSET - OPERATING LEASES	2,333,003	1,950,187
PROPERTY AND EQUIPMENT, net	<u>140,725</u>	<u>104,842</u>
	<u>\$ 9,594,675</u>	<u>\$ 8,220,905</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,645,037	\$ 2,219,346
Client escrow funds	77,755	43,163
Deferred grant revenue	1,681,268	1,175,948
Current portion of operating lease liability	<u>580,965</u>	<u>436,301</u>
Total current liabilities	4,985,025	3,874,758
OPERATING LEASE LIABILITY, net of current portion	<u>1,797,663</u>	<u>1,511,163</u>
Total liabilities	6,782,688	5,385,921
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,811,987</u>	<u>2,834,984</u>
Total liabilities and net assets	<u>\$ 9,594,675</u>	<u>\$ 8,220,905</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, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
Revenue and other support:		
Government and private grants	\$ 23,423,885	\$ 19,010,291
Legal Services Corporation grants	2,238,413	2,489,099
Contributed nonfinancial assets	233,125	234,338
Interest income	78,333	49,416
Other	62,386	73,798
Attorney fees	-	11,750
	<u>26,036,142</u>	<u>21,868,692</u>
Total revenue and other support		
Expenses:		
Program services	24,371,255	19,775,919
Management and general	1,666,155	2,078,399
Fundraising	21,729	-
	<u>26,059,139</u>	<u>21,854,318</u>
Total expenses		
Change in net assets	(22,997)	14,374
Net assets without donor restrictions - beginning of year	<u>2,834,984</u>	<u>2,820,610</u>
Net assets without donor restrictions - end of year	<u>\$ 2,811,987</u>	<u>\$ 2,834,984</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, 2025

(With Comparative Totals for 2024)

	Program Services	Management and General	Fundraising	Total	
				2025	2024
Personnel expenses:					
Lawyers	\$ 7,817,871	\$ 279,448	\$ 2,360	\$ 8,099,679	\$ 6,752,192
Paralegals	3,668,228	-	-	3,668,228	3,198,407
Other staff	1,105,949	931,990	369	2,038,308	1,895,352
Payroll taxes and employee benefits	<u>3,830,621</u>	<u>362,565</u>	<u>866</u>	<u>4,194,052</u>	<u>4,278,779</u>
Total personnel expenses	<u>16,422,669</u>	<u>1,574,003</u>	<u>3,595</u>	<u>18,000,267</u>	<u>16,124,730</u>
Other expenses:					
Contracted services	5,346,346	-	18,134	5,364,480	3,260,547
Occupancy	827,442	48,537	-	875,979	809,318
Contract services to clients	479,845	-	-	479,845	460,966
Donated services	233,125	-	-	233,125	234,338
Telephone and internet	149,457	14,422	-	163,879	167,609
Office supplies	156,153	1,782	-	157,935	162,251
Travel	113,062	4,964	-	118,026	131,600
Professional fees	252,211	-	-	252,211	65,600
Insurance	62,033	720	-	62,753	72,201
Library	75,615	-	-	75,615	68,070
Depreciation	-	13,610	-	13,610	51,449
Training	34,884	2,788	-	37,672	41,869
Dues and fees	49,395	119	-	49,514	40,451
Equipment rental and maintenance	38,884	2,285	-	41,169	38,618
Litigation	64,564	1,331	-	65,895	14,036
Other	<u>65,570</u>	<u>1,594</u>	<u>-</u>	<u>67,164</u>	<u>110,665</u>
Total other expenses	<u>7,948,586</u>	<u>92,152</u>	<u>18,134</u>	<u>8,058,872</u>	<u>5,729,588</u>
Total expenses	<u>\$ 24,371,255</u>	<u>\$ 1,666,155</u>	<u>\$ 21,729</u>	<u>\$ 26,059,139</u>	<u>\$ 21,854,318</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, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (22,997)	\$ 14,374
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	13,610	51,449
Changes in:		
Receivables	(2,008,599)	509,022
Prepaid expenses	(35,294)	(520,343)
Accounts payable and accrued expenses	425,691	330,320
Deferred grant revenue	505,320	952,431
Operating leases	<u>48,348</u>	<u>(5,680)</u>
Net cash flow from operating activities	<u>(1,073,921)</u>	<u>1,331,573</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	<u>(49,493)</u>	<u>(9,401)</u>
Net cash flow from investing activities	<u>(49,493)</u>	<u>(9,401)</u>
CHANGE IN CASH	(1,123,414)	1,322,172
CASH - beginning of year	<u>2,395,978</u>	<u>1,073,806</u>
CASH - end of year	<u>\$ 1,272,564</u>	<u>\$ 2,395,978</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, 2025

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

Basis of Accounting and 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, 2025 and 2024.

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 grant 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, 2025 and 2024.

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, management and general, and fundraising functions and are allocated accordingly. These expenses include salaries and benefits which are allocated based on time and effort. All other expenses are directly charged.

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, 2024, 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.

Reclassifications

Certain amounts from the 2024 financial statements have been reclassified to conform to 2025 presentation. Such reclassifications had no impact on the reported change in net assets for the year ended December 31, 2024.

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>2025</u>	<u>2024</u>
Cash	\$ 1,243,254	\$ 2,395,978
Receivables	<u>5,118,723</u>	<u>3,110,124</u>
	<u>\$ 6,361,977</u>	<u>\$ 5,506,102</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 of December 31, 2025, the Company maintains \$29,310 in cash that is held in an account in connection with ongoing legal proceedings. Accordingly, the cash is not available for use in LAWNY's general operations and is excluded from financial assets available to meet cash needs for general expenditures within one year. Management expects the ultimate availability of these funds to be determined upon the conclusion of the legal proceeding, the timing of which cannot be reasonably estimated.

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>2025</u>	<u>2024</u>
Building and improvements	\$ 180,910	\$ 180,177
Furniture and equipment	276,886	255,993
Leasehold improvements	<u>333,277</u>	<u>317,609</u>
	791,073	753,779
Less: Accumulated depreciation	<u>(650,348)</u>	<u>(648,937)</u>
	<u>\$ 140,725</u>	<u>\$ 104,842</u>

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

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 51,212	\$ 51,212
Less: Accumulated depreciation	<u>(8,375)</u>	<u>(5,121)</u>
	<u>\$ 42,837</u>	<u>\$ 46,091</u>

5. LSC FUNDING

LSC awarded LAWNY Basic Field Grant funding of \$2,582,642 and \$2,587,596 in December 31, 2025 and 2024, respectively, as follows:

	<u>2025</u>	<u>2024</u>
Basic Field Grant	\$ 1,963,792	\$ 2,360,512
Derivative income	8,358	6,595
Refundable advances	<u>610,492</u>	<u>220,489</u>
	<u>\$ 2,582,642</u>	<u>\$ 2,587,596</u>

Additionally, LSC awarded LAWNY ProBono Initiative Grant funding in 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
ProBono Initiative Grant	\$ 54,133	\$ 30,524

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

5. LSC FUNDING (Continued)

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 year ended December 31, 2025, LSC funds carried over from the previous year exceeded 10% of LSC support. As established in 45 C.F.R. Part 1628, a recipient may request a waiver of the 10% ceiling on LSC fund balances within 30 days after the submission to LSC of its annual financial statements. The excess LSC carryover resulted from staffing vacancies and the timing of expenditures. Management intends to fully deploy the funds in compliance with LSC requirements while requesting the required waiver. If a waiver is not granted, the amount in excess of 10% must be repaid to LSC. LAWNY intends to request a waiver from LSC to carry forward the unused funds. For the year ended December 31, 2024, LSC funds carried over from the previous year did not exceed 10% of LSC support. As of December 31, 2025 and 2024, the amount of LAWNY's unexpended LSC Basic Field Grant funds was \$610,492 (24%) and \$220,488 (8.5%), 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 2025, 12.5% of LSC's Basic Field Grant award of \$2,582,642 amounted to \$322,830. In 2025, LAWNY expended \$502,188 for the PAI Program, or 19.4% of the LSC Basic Field Grant award. A summary of PAI related expenditures for 2025 is as follows:

Personnel	\$	349,365
Contract services to client		115,000
Contract services to program		6,301
Other		<u>31,522</u>
Total PAI related expenditures	\$	<u>502,188</u>

LAWNY awarded \$115,000 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 140 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% (8.25% at December 31, 2025). At December 31, 2025 and 2024, 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 October 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:

2026	\$	638,503
2027		593,772
2028		529,829
2029		515,975
2030		<u>242,081</u>
Total lease payments		2,520,160
Less: Present value discount		<u>(141,532)</u>
Total present value of lease liabilities		2,378,628
Less: Current portion		<u>(580,965)</u>
Long-term portion of lease liabilities	\$	<u>1,797,663</u>

The components of total lease cost were as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 665,138	\$ 632,984
Short-term lease cost	<u>72,921</u>	<u>102,524</u>
Total lease cost	<u>\$ 738,059</u>	<u>\$ 735,508</u>

Cash paid on operating lease liabilities in 2025 and 2024 was approximately \$655,000 and \$577,000, respectively. LAWNY obtained right of use assets in exchange for lease obligations of approximately \$862,000 and \$716,000 in 2025 and 2024, respectively.

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

Weighted average remaining lease term:	<u>2025</u> 4.23 years	<u>2024</u> 4.87 years
Weighted average remaining discount rate:	<u>2025</u> 2.74%	<u>2024</u> 2.63%

9. CONCENTRATIONS

For the years ended December 31, 2025 and 2024, LSC, Emergency Rental Assistance Program (ERAP), NYS Interest on Lawyer Account Fund (IOLA) and NYS Office of Court Administration (OCA) programs accounted for 75% and 63%, 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 \$225,791 and \$182,277 to the plan during the years ended December 31, 2025 and 2024, respectively.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 29, 2026, 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, 2025**

Exhibit I

	Basic Field Grant		Excess 2024 Carryover		PBIF	Property	Total
	General Civil <u>Legal Services</u>	Private Attorney <u>Involvement</u>	General Civil <u>Legal Services</u>	Private Attorney <u>Involvement</u>	GT-P-00014 <u>Grant</u>		
REVENUE:							
LSC grants	\$ 1,537,826	\$ 425,966	\$ 144,266	\$ 76,222	\$ 54,133	\$ -	\$ 2,238,413
Interest income	<u>8,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,358</u>
Total revenue:	<u>1,546,184</u>	<u>425,966</u>	<u>144,266</u>	<u>76,222</u>	<u>54,133</u>	<u>-</u>	<u>2,246,771</u>
EXPENSES:							
Personnel expenses:							
Lawyers	552,185	70,760	43,477	12,437	-	-	678,859
Paralegals	352,306	53,846	20,099	9,310	29,063	-	464,624
Other staff	151,900	101,269	36,675	17,584	3,090	-	310,518
Payroll taxes and employee benefits	<u>316,216</u>	<u>71,372</u>	<u>32,508</u>	<u>12,788</u>	<u>10,200</u>	<u>-</u>	<u>443,084</u>
Total personnel expenses:	<u>1,372,607</u>	<u>297,247</u>	<u>132,759</u>	<u>52,119</u>	<u>42,353</u>	<u>-</u>	<u>1,897,085</u>
Other expenses:							
Contract services to clients	-	95,833	-	19,167	-	-	115,000
Occupancy	70,264	6,506	6,166	1,285	4,345	-	88,566
Contract services	32,365	5,349	1,488	952	1,220	-	41,374
Professional fees	24,046	3,642	-	-	-	-	27,688
Telephone and internet	13,405	2,922	1,114	473	565	-	18,479
Travel	2,480	2,774	1,042	1,856	3,432	-	11,584
Office supplies	9,159	291	596	30	-	-	10,076
Other	2,736	4,971	46	34	1,617	-	9,404
Library	6,669	1,731	376	110	322	-	9,208
Insurance	5,816	1,346	264	125	279	-	7,830
Training	1,607	2,723	231	62	-	-	4,623
Equipment rental and maintenance	2,943	170	19	9	-	-	3,141
Depreciation	-	-	-	-	-	3,254	3,254
Litigation	1,367	461	89	-	-	-	1,917
Dues and fees	<u>720</u>	<u>-</u>	<u>76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>796</u>
Total other expenses	<u>173,577</u>	<u>128,719</u>	<u>11,507</u>	<u>24,103</u>	<u>11,780</u>	<u>3,254</u>	<u>352,940</u>
Total expenses	<u>1,546,184</u>	<u>425,966</u>	<u>144,266</u>	<u>76,222</u>	<u>54,133</u>	<u>3,254</u>	<u>2,250,025</u>
CHANGE IN NET ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,254)</u>	<u>(3,254)</u>
NET ASSETS - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,091</u>	<u>46,091</u>
NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,837</u>	<u>\$ 42,837</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

April 29, 2026

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, 2025, 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 April 29, 2026.

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.

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(Continued)

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

April 29, 2026

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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal 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 type of 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, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Legal Services Corporation:				
Basic Field Grant	9.23313	233130	\$ 2,184,280	\$ 115,000
ProBono Initiative Grant	9.23313	AD-P-00035	<u>54,133</u>	<u>-</u>
Total Legal Services Corporation			<u>2,238,413</u>	<u>115,000</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 Supportive Services and Senior Centers further passed through the following organizations and counties:				
Monroe County	93.044	Not available	190,841	-
Livingston County	93.044	Not available	25,470	-
Ontario County	93.044	Not available	81,420	-
Proaction of Steuben & Yates Counties	93.044	Not available	24,860	-
Seneca County	93.044	Not available	7,060	-
Wayne County	93.044	Not available	40,000	-
Tioga Opportunities, Inc.	93.044	Not available	4,500	-
Tompkins County	93.044	Not available	10,695	-
Allegany County	93.044	Not available	790	-
Steuben County	93.044	Not available	<u>15,998</u>	<u>-</u>
			401,634	-
Passed through NYS Department of Health - Children's Health Insurance Program further passed through NY Community Service Society NY	93.767	Not available	104,700	-
Passed through NYS Department of Health - Grants to States for Medicaid further passed through NY Community Service Society NY	93.778	Not available	<u>36,508</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>542,842</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Fair Housing Initiative Program	14.408	FH700G13068	328,740	-
Passed through the City of Rochester, Office of Human Services - Community Development Block Grants/Special Purpose Grants/Insular Areas further passed through Legal Aid Society of Rochester	14.225	B15MC36003	<u>34,893</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>363,633</u>	<u>-</u>

(Continued)

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through 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	149,359	-
Arbor Housing and Development	16.575	Not available	109,523	-
Empire Justice Center	16.575	Not available	102,015	-
Family Counseling of the Finger Lakes	16.575	Not available	670	-
Survivor Advocacy Center	16.575	Not available	12,750	-
The Salvation Army Safehouse	16.575	Not available	<u>56,677</u>	-
			430,994	-
Legal Assistance for Victims	16.524	2012-WL-AX-0027	139,423	35,137
Passed through NYS Division of Criminal Justice Services - Violence Against Women Formula Grants	16.588	C00325GG	<u>49,449</u>	<u>27,949</u>
Total U.S. Department of Justice			<u>619,866</u>	<u>63,086</u>
AmeriCorps				
Passed through NYS Office of Children and Family Services - State Commissions Support Grant	94.003	C027004	<u>108,798</u>	-
			<u>\$ 3,873,552</u>	<u>\$ 178,086</u>

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, 2025

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, 2025, 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. Differences between amounts included in the Schedule and amounts reported to funding agencies for these programs result from report timing.

3. INDIRECT COSTS

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

4. LSC FUNDING TO SUBRECIPIENTS

LAWNY subgranted \$115,000 from its Legal Services Corporation Basic Field Grant to Volunteers Legal Services Project of Monroe County dba JustCause in 2025. The expenditures relating to the subgrant are as follows for the year ended December 31, 2025:

Personnel expenses:	
Salaries and wages	\$ 88,822
Fringe Benefits	<u>17,507</u>
Total personnel expenses	<u>106,329</u>
Project expenses:	
Software	1,085
Other	6,945
Communication	458
Supplies	<u>183</u>
Total project expenses	<u>8,671</u>
Total LSC subgrant expenses	<u>\$ 115,000</u>

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2025

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 and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The Independent Auditor's Report on Compliance for Each Major Program for the Organization's major federal award program expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award program for LAWNY that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance.
7. The following program was tested as a major program:
 - Legal Services Corporation Basic Field Grant – ALN 9.233130
8. The threshold for distinguishing Type A and B programs was \$1,000,000.
9. LAWNY was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

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

None.