

**LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR
ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2022 AND 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Legal Aid Society of the Orange County Bar Association, Inc.
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Legal Aid Society of the Orange County Bar Association, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 2022 and 2021 financial statements referred to above present fairly, in all material respects, the financial position of Legal Aid Society of the Orange County Bar Association, Inc., as of December 31, 2022, and the changes in its net assets and its cash flows for the years 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Legal Aid Society of the Orange County Bar Association, Inc., 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Legal Aid Society of the Orange County Bar Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 Legal Aid Society of the Orange County Bar Association, Inc.'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 Legal Aid Society of the Orange County Bar Association, Inc.'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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of activities for the Florida Bar Foundation, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, Rules of the Auditor General of the State of Florida, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of activities for the Florida Bar Foundation, and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 August 15, 2023, on our consideration of Legal Aid Society of the Orange County Bar Association, Inc.'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 Legal Aid Society of the Orange County Bar Association, Inc.'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 Legal Aid Society of the Orange County Bar Association, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Orlando, Florida
August 15, 2023

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

| ASSETS | 2022 | 2021 |
|---|--------------|--------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 3,624,954 | \$ 1,973,287 |
| Due from State of Florida Guardian ad Litem Program | 422,350 | 422,350 |
| Grant and Contract Receivables | 514,481 | 507,386 |
| Unconditional Promises to Give | 5,321 | 9,017 |
| Client Trust Funds | 161 | 1 |
| Prepaid Expenses | 18,545 | 54,589 |
| Total Current Assets | 4,585,812 | 2,966,630 |
| PROPERTY AND EQUIPMENT, Net | 298,377 | 333,745 |
| OTHER ASSETS | | |
| Investments | 1,748,739 | 1,745,469 |
| Total Other Assets | 1,748,739 | 1,745,469 |
| Total Assets | \$ 6,632,928 | \$ 5,045,844 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 23,186 | \$ 17,036 |
| Accrued Payroll and Related Liabilities | 109,308 | 112,963 |
| Accrued Compensated Absences | 266,884 | 261,737 |
| Client Trust Deposits | 161 | 1 |
| Total Current Liabilities | 399,539 | 391,737 |
| Total Liabilities | 399,539 | 391,737 |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Undesignated | 5,491,384 | 4,415,272 |
| Board-Designated | 35,000 | - |
| Total Without Donor Restrictions | 5,526,384 | 4,415,272 |
| With Donor Restrictions | 707,005 | 238,835 |
| Total Net Assets | 6,233,389 | 4,654,107 |
| Total Liabilities and Net Assets | \$ 6,632,928 | \$ 5,045,844 |

See accompanying Notes to Financial Statements.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|------------------|
| REVENUE AND SUPPORT | | | |
| Orange County, Florida | \$ 1,302,050 | \$ - | \$ 1,302,050 |
| Attorney's Contributions | 391,887 | - | 391,887 |
| The Florida Bar Foundation | 47,236 | 42,764 | 90,000 |
| State of Florida Guardian ad Litem Program | 1,689,400 | - | 1,689,400 |
| Office of the Florida Attorney General - Victims of Crime Act | 398,846 | - | 398,846 |
| Other Grants, Contributions, and Miscellaneous | 847,442 | 651,206 | 1,498,648 |
| Investments - Interest | 3,989 | - | 3,989 |
| Gross Special Events Revenue | 186,519 | - | 186,519 |
| Less: Cost of Direct Benefits to Donors | (2,488) | - | (2,488) |
| Net Special Events Revenue | 184,031 | - | 184,031 |
| Net Assets Released from Restrictions | 225,800 | (225,800) | - |
| Total Revenue, Support, and Gains | 5,090,681 | 468,170 | 5,558,851 |
| EXPENSES | | | |
| Program Services Expense | 3,342,284 | - | 3,342,284 |
| Supporting Services Expense: | | | |
| Management and General | 506,501 | - | 506,501 |
| Fundraising and Development | 130,784 | - | 130,784 |
| Total Supporting Services Expenses | 637,285 | - | 637,285 |
| Total Expenses | 3,979,569 | - | 3,979,569 |
| CHANGE IN NET ASSETS | 1,111,112 | 468,170 | 1,579,282 |
| Net Assets - Beginning of Year | 4,415,272 | 238,835 | 4,654,107 |
| NET ASSETS - END OF YEAR | \$ 5,526,384 | \$ 707,005 | \$ 6,233,389 |

See accompanying Notes to Financial Statements.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|------------------|
| REVENUE AND SUPPORT | | | |
| Orange County, Florida | \$ 1,292,357 | \$ - | \$ 1,292,357 |
| Attorney's Contributions | 403,517 | - | 403,517 |
| The Florida Bar Foundation | 154,413 | 127,137 | 281,550 |
| State of Florida Guardian ad Litem Program | 1,765,423 | - | 1,765,423 |
| Office of the Florida Attorney General - Victims of Crime Act | 371,342 | - | 371,342 |
| City of Orlando | 20,000 | - | 20,000 |
| Other Grants, Contributions, and Miscellaneous | 326,104 | 104,767 | 430,871 |
| Forgiveness of Paycheck Protection Program Loan | 502,692 | - | 502,692 |
| Investments - Interest | 2,015 | - | 2,015 |
| Gross Special Events Revenue | 199,168 | - | 199,168 |
| Less: Cost of Direct Benefits to Donors | (4,434) | - | (4,434) |
| Net Special Events Revenue | 194,734 | - | 194,734 |
| Net Assets Released from Restrictions | 208,301 | (208,301) | - |
| Total Revenue, Support, and Gains | 5,240,897 | 23,603 | 5,264,500 |
| EXPENSES | | | |
| Program Services Expense | 3,235,656 | - | 3,235,656 |
| Supporting Services Expense: | | | |
| Management and General | 515,644 | - | 515,644 |
| Fundraising and Development | 150,905 | - | 150,905 |
| Total Supporting Services Expenses | 666,549 | - | 666,549 |
| Total Expenses | 3,902,205 | - | 3,902,205 |
| CHANGE IN NET ASSETS | 1,338,692 | 23,603 | 1,362,295 |
| Net Assets - Beginning of Year | 3,076,580 | 215,232 | 3,291,812 |
| NET ASSETS - END OF YEAR | \$ 4,415,272 | \$ 238,835 | \$ 4,654,107 |

See accompanying Notes to Financial Statements.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

| | Program Services | Management and General | Fundraising | Direct Donor Benefit | Total |
|--|---------------------|---------------------------|-------------------|-------------------------|---------------------|
| Personnel Expenses: | | | | | |
| Salaries and Wages | \$ 2,203,672 | \$ 351,116 | \$ 83,441 | \$ - | \$ 2,638,229 |
| Employee Benefits | 573,445 | 85,259 | 18,240 | - | 676,944 |
| Payroll Taxes | 160,548 | 25,538 | 6,224 | - | 192,310 |
| Total Personnel Expenses | <u>2,937,665</u> | <u>461,913</u> | <u>107,905</u> | <u>-</u> | <u>3,507,483</u> |
| Nonpersonnel Expenses: | | | | | |
| Employee Professional Dues | 11,598 | 1,288 | 238 | - | 13,124 |
| Maintenance of Library | 3,796 | 1,328 | - | - | 5,124 |
| Insurance | 37,839 | 1,412 | 260 | - | 39,511 |
| Building and Equipment Costs | 36,688 | 4,487 | 951 | - | 42,126 |
| Professional Fees | 158,284 | 15,238 | 17,629 | - | 191,151 |
| Telephone | 26,111 | 3,478 | 945 | - | 30,534 |
| Travel | 4,964 | 3,205 | - | - | 8,169 |
| Parking | 2,853 | 312 | 74 | - | 3,239 |
| Office, Program Supplies, and Other | 40,889 | 4,041 | 326 | - | 45,256 |
| Litigation Costs | 7,077 | - | - | - | 7,077 |
| Continuing Education | 6,256 | 795 | - | - | 7,051 |
| Postage | 3,316 | 499 | 79 | - | 3,894 |
| Pro Bono Attorney Training | 8,411 | 4,805 | 133 | - | 13,349 |
| Temporary Services | 23,276 | - | - | - | 23,276 |
| Depreciation | 32,961 | 3,700 | 877 | - | 37,538 |
| Marketing | 300 | - | - | - | 300 |
| Uncollectible Promises to Give | - | - | 1,367 | - | 1,367 |
| Total Nonpersonnel Expenses | <u>404,619</u> | <u>44,588</u> | <u>22,879</u> | <u>-</u> | <u>472,086</u> |
| Total Expenses by Function | 3,342,284 | 506,501 | 130,784 | - | 3,979,569 |
| Less: Expenses Included with Revenues on the Statements of Activities: | | | | | |
| Cost of Direct Benefits to Donors | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenses Included in the Expense Section on the Statements of Activities | <u>\$ 3,342,284</u> | <u>\$ 506,501</u> | <u>\$ 130,784</u> | <u>\$ -</u> | <u>\$ 3,979,569</u> |

See accompanying Notes to Financial Statements.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

| | Program Services | Management and General | Fundraising | Direct Donor Benefit | Total |
|---|---------------------|---------------------------|-------------------|-------------------------|---------------------|
| Personnel Expenses: | | | | | |
| Salaries and Wages | \$ 2,158,490 | \$ 357,035 | \$ 89,523 | \$ - | \$ 2,605,048 |
| Employee Benefits | 554,199 | 84,870 | 21,621 | - | 660,690 |
| Payroll Taxes | 155,622 | 25,604 | 6,560 | - | 187,786 |
| Total Personnel Expenses | 2,868,311 | 467,509 | 117,704 | - | 3,453,524 |
| Nonpersonnel Expenses: | | | | | |
| Building and Equipment Costs | 34,575 | 4,272 | 1,095 | - | 39,942 |
| Continuing Education | 5,087 | 450 | - | - | 5,537 |
| Depreciation | 33,817 | 3,730 | 912 | - | 38,459 |
| Employee Professional Dues | 12,858 | 1,596 | 293 | - | 14,747 |
| Insurance | 36,460 | 1,325 | 328 | - | 38,113 |
| Litigation Costs | 10,328 | - | - | - | 10,328 |
| Marketing | 233 | 69 | 337 | - | 639 |
| Maintenance of Library | 9,153 | 425 | 101 | - | 9,679 |
| Office, Program Supplies, and Other | 52,422 | 3,738 | 407 | - | 56,567 |
| Parking | 7,135 | 772 | 247 | - | 8,154 |
| Postage | 3,402 | 334 | 103 | - | 3,839 |
| Pro Bono Attorney Training | 10,706 | 2,663 | 278 | - | 13,647 |
| Professional Fees | 112,528 | 12,894 | 3,414 | - | 128,836 |
| Special Event - Direct Donor Benefit | - | - | - | 4,434 | 4,434 |
| Telephone | 23,692 | 2,810 | 1,104 | - | 27,606 |
| Temporary Services | 11,675 | 9,412 | - | - | 21,087 |
| Travel | 3,273 | 3,645 | 19 | - | 6,937 |
| Uncollectible Promise to Give | 1 | - | 24,563 | - | 24,564 |
| Total Nonpersonnel Expenses | 367,345 | 48,135 | 33,201 | 4,434 | 453,115 |
| Total Expenses by Function | 3,235,656 | 515,644 | 150,905 | 4,434 | 3,906,639 |
| Less: Expenses Included with Revenues on the Statements of Activities: | | | | | |
| Cost of Direct Benefits to Donors | - | - | - | (4,434) | (4,434) |
| Total Expenses Included in the Expense Section on the Statements of Activities | \$ 3,235,656 | \$ 515,644 | \$ 150,905 | \$ - | \$ 3,902,205 |

See accompanying Notes to Financial Statements.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

| | 2022 | 2021 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 1,579,282 | \$ 1,362,295 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | 37,538 | 38,459 |
| Forgiveness of Paycheck Protection Program Loan | - | (502,692) |
| Changes in Operating Assets and Liabilities: | | |
| Grant and Contract Receivables | (7,095) | (432,592) |
| Unconditional Promises to Give | 3,696 | 31,919 |
| Prepaid Expenses | 36,044 | (46,327) |
| Client Trust Funds | (160) | |
| Accounts Payable | 6,150 | 1,824 |
| Accrued Payroll and Related Liabilities | (3,655) | 13,240 |
| Accrued Compensated Absences | 5,147 | 25,371 |
| Client Trust Deposits | 160 | - |
| Net Cash Provided by Operating Activities | 1,657,107 | 491,497 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (3,270) | (1,001,877) |
| Purchases of Property and Equipment | (2,170) | (10,987) |
| Net Cash Used by Investing Activities | (5,440) | (1,012,864) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 1,651,667 | (521,367) |
| Cash and Cash Equivalents - Beginning of Year | 1,973,287 | 2,494,654 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 3,624,954 | \$ 1,973,287 |

See accompanying Notes to Financial Statements.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Legal Aid Society of the Orange County Bar Association, Inc. (Legal Aid Society) is a nonprofit Florida corporation organized to provide legal assistance in noncriminal proceedings to economically disadvantaged persons and groups in Orange County, Florida. Legal Aid Society is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and the laws of the state of Florida and is not considered a private foundation.

Legal Aid Society is funded primarily through funds from Orange County Government (these monies are designated by Florida Statutes to provide legal services to indigent residents), by private foundation grants, by the State of Florida Guardian ad Litem Program, and by contributions from Orange County Bar Association, Inc., attorneys.

The operation is directed by a board whose attorney members are selected from the membership of Orange County Bar Association, Inc., Paul C. Perkins Bar Association, and the Hispanic Bar Association; one seat is occupied by a member of the Young Lawyers Section of the Orange County Bar Association, Inc.; and lay members are selected by the Orange County Bar Association, Inc.'s president. The members of the board receive no compensation for their services.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

Legal Aid Society considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents approximate fair value because of the short maturities of those financial instruments. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits. Financial instruments being held as investments are not considered to be cash and cash equivalents.

Grant and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to realize from outstanding balances. Management provides such amounts through adjustments based upon their assessment of the current status (i.e., terms) of individual receivables from grants and contracts. Accordingly, management considers all such receivables to be collectible; therefore, there is no allowance for doubtful accounts at December 31, 2022 or 2021.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Legal Aid Society that is, in substance, unconditional.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Property and Equipment

Legal Aid Society records property and equipment additions having an estimated useful life over one year and a cost over \$2,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Legal Aid Society charges the cost of maintaining a law library to operations as incurred. The estimated useful lives of the assets are as follows:

| | |
|--|---------------|
| Buildings and Building Improvements | 31 Years |
| Furniture, Fixtures, Equipment, and Software | 3 to 10 Years |

Investments

The Legal Aid Society's investments at December 31, 2022 and 2021, are composed of \$1,748,739 and \$1,745,469, respectively, in money market accounts which are being held by various financial institutions which do not exceed Federal Deposit Insurance Corporation (FDIC) limits. The carrying amount of the investment balances approximate fair value because of the short maturity of these financial instruments.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Legal Aid Society receives substantially all of its grant and contract revenue from federal, state, and local agencies. Contract revenue (up to the contract ceiling) from its contracts is recognized over a period which represents the service period for certain contracts, or to the extent of expenses dependent upon the contract.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Recognition (Continued)

Unconditional grants, contributions from attorneys, and from private organizations and individuals, are recognized as support when received. Conditional grants are not recognized until the conditions on which they depend have been substantially met.

Legal Aid Society reports grants and contributions as net assets with donor restriction if they are received with donor stipulations that limit the use of the grant and contribution. Legal Aid Society reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Donated Services and In-Kind Contributions

A substantial amount of professional services have been donated to the Legal Aid Society; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Donated property, if significant, is recorded at estimated fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2022 and 2021.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the estimated time or space allocated to those functions. When possible, expenses that are specifically identified with a program or supporting service are assigned to that function.

Income Taxes

Legal Aid Society is organized as a Florida nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. Legal Aid Society is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Legal Aid Society is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Legal Aid Society has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Subsequent Events

We have evaluated subsequent events through August 15, 2023, the date the consolidated financial statements were available to be issued.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Legal Aid Society adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The Legal Aid Society has elected to adopt the package of practical expedients available in the year of adoption. The Legal Aid Society has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing the impairment of the Legal Aid Society's ROU assets. The adoption of the new standard resulted in no material changes to the financial statements as of December 31, 2022 and 2021.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 3,624,954 | \$ 1,973,287 |
| Due from State of Florida Guardian ad Litem Program | 422,350 | 422,350 |
| Grant and Contract Receivables | 514,481 | 507,386 |
| Unconditional Promises to Give | 5,321 | 9,017 |
| Less: Net Assets With Restrictions | <u>(707,005)</u> | <u>(238,835)</u> |
| Total | <u>\$ 3,860,101</u> | <u>\$ 2,673,205</u> |

The Legal Aid Society regularly monitors the availability of resources required to meet its operating needs, while striving to maximize its available funds. The Legal Aid Society operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

NOTE 3 PROMISES TO GIVE

Unconditional promises to give on December 31, 2022 and 2021, consist of pledges received from the Breakfast of Champions.

Detail of the pledges is as follows:

| | <u>2022</u> | <u>2021</u> |
|-----------------|-----------------|-----------------|
| Within One Year | <u>\$ 5,321</u> | <u>\$ 9,017</u> |
| Total | <u>\$ 5,321</u> | <u>\$ 9,017</u> |

The carrying amounts of the unconditional promises to give to be received in less than one year approximates fair value because of the short maturity of those financial instruments.

No provisions for uncollectible amounts will be made in future periods as management will adjust the outstanding balances as of that date for any uncollectible amounts determined based upon a detail review of the outstanding balances.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

| | 2022 | 2021 |
|---|------------|------------|
| Land | \$ 180,111 | \$ 180,111 |
| Land Improvements | 50,500 | 50,500 |
| Buildings and Building Improvements | 772,820 | 772,820 |
| Furniture, Fixtures, Equipment, and Software | 228,713 | 226,543 |
| Subtotal | 1,232,144 | 1,229,974 |
| Less: Accumulated Depreciation and Amortization | (933,767) | (896,229) |
| Total Property and Equipment | \$ 298,377 | \$ 333,745 |

Depreciation expense totaled \$37,538 and \$38,459 for the years ended December 31, 2022 and 2021, respectively.

NOTE 5 PAYCHECK PROTECTION PROGRAM LOAN

On April 15, 2020, Legal Aid Society received a loan from Axiom Bank in the amount of \$502,692 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Legal Aid Society fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. On May 11, 2021, the PPP Loan of \$502,692 and all applicable accrued interest was forgiven in its entirety by the SBA.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Legal Aid Society's financial position.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Subject to Expenditure for Specified Purpose: | | |
| Pro bono public service | \$ 523,966 | \$ - |
| Administration of Justice - LatinX Community | 29,239 | - |
| Children's Legal Services | 42,764 | - |
| COVID Relief | - | 127,137 |
| C.E.N.T.S. Project | - | 39,036 |
| Eviction Diversion Program | - | 16,860 |
| Fostering Financial Freedom | - | 25,000 |
| Legal Services | 15,000 | 15,000 |
| Legal Services for Veterans | 58,392 | - |
| Other Programs for Children | 27,644 | 13,035 |
| Equipment | 10,000 | 2,767 |
| Total Net Assets with Donor Restrictions | <u>\$ 707,005</u> | <u>\$ 238,835</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Expiration of Time Restrictions | \$ - | \$ 11,148 |
| Satisfaction of Purpose Restrictions: | | |
| Children's Legal Services | - | 46,392 |
| COVID Relief | 127,137 | 70,000 |
| C.E.N.T.S. Project | 39,036 | 23,685 |
| Eviction Diversion Program | 16,860 | 37,476 |
| Legal Services for Veterans | - | 15,000 |
| Other Programs for Children | - | 4,600 |
| Equipment | 2,767 | - |
| Legal Services | 15,000 | - |
| Fostering Financial Freedom | 25,000 | - |
| Total Net Assets Released from Donor Restrictions | <u>\$ 225,800</u> | <u>\$ 208,301</u> |

NOTE 7 GRANTS

Legal Aid Society has received grants from The Florida Bar Foundation and from the City of Orlando. The grants are provided primarily for civil legal services support, children's legal services, and other specific purposes.

Direct expenses are allocated to the program as provided for in the contracts; other related expenses and overhead of the program are absorbed by the general operations of the Legal Aid Society.

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 GRANTS (CONTINUED)

Legal Aid Society has entered into agreements for services with the State of Florida Guardian ad Litem Office, which provides funds for guardian ad litem services and representation services for other cases assigned by juvenile judges in Orange County/Ninth Judicial Circuit (such services are provided as resources permit). Legal Aid Society has used these funds to support its Guardian ad Litem Program which serves dependent children.

Support from the above referenced grants and contributions are generally recognized as eligible costs are incurred.

Revenues from grants from the City of Orlando and State of Florida Guardian ad Litem Office totaling \$2,991,450 and \$3,134,856 for the years ended December 31, 2022 and 2021, respectively, represents 56% and 69% of total revenue.

NOTE 8 RETIREMENT PLAN

Legal Aid Society sponsors a defined contribution retirement plan and a related trust for all eligible employees. The annual contribution to the trust, which consists of a percentage of each eligible employee's salary, is determined on an annual basis by the board of trustees and the Legal Aid Society is not liable for any payments under the plan in excess of the annual contribution.

During the year, Legal Aid Society changed retirement plans for both of its contribution retirement plan and related trust to Mutual of America, previously with Metlife-Bright House and Regions Morgan Trust, respectively. The new Mutual of America plans are effective November 1, 2022. Under the new plan, the annual contribution to the trust, which consists of a percentage of each eligible employee's salary, will continue to be determined on an annual basis by the board of trustees and the Legal Aid Society is not liable for any payments under the plan in excess of the annual contribution.

During the years ended December 31, 2022 and 2021, payments made to the plan were \$159,893 and \$155,397, respectively.

NOTE 9 RISK AND UNCERTAINTIES

The Legal Aid Society is subject to state and federal audit examination to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. However, management is of the opinion that no material liability will result from such audits. Any amounts arising from such contract modification would be recognized in the year of the notification of the contract adjustment.



**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***

Board of Directors
Legal Aid Society of the Orange County Bar Association, Inc.
Orlando, Florida

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 the Legal Aid Society of the Orange County Bar Association, Inc. (Legal Aid Society), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Legal Aid Society's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Legal Aid Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Legal Aid Society'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 the entity'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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Legal Aid Society'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 result of that testing, and not to provide an opinion on the effectiveness of the Legal Aid Society's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Legal Aid Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Orlando, Florida
August 15, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY CHAPTER 10.650,
*RULES OF THE AUDITOR GENERAL***

Board of Directors
Legal Aid Society of the Orange County Bar Association, Inc.
Orlando, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Legal Aid Society of the Orange County Bar Association, Inc. (Legal Aid Society)'s compliance with the types of compliance requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the Legal Aid Society's major state projects for the year ended December 31, 2022. The Legal Aid Society's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Legal Aid Society complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect its major state project for the year ended December 31, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 those standards and Chapter 10.650. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Legal Aid Society of the Orange County Bar Association, Inc., 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 state financial assistance program. Our audit does not provide a legal determination of Legal Aid Society of the Orange County Bar Association, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state project.

Auditors' Responsibilities 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 Legal Aid Society of the Orange County Bar Association, Inc.'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 GAAS, *Government Auditing Standards*, the Uniform Guidance and the audit requirements of those standards and Chapter 10.650, 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 judgment made by a reasonable user of the report on compliance about Legal Aid Society of the Orange County Bar Association, Inc.'s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the audit requirements of those standards and Chapter 10.650, we:

- Exercise professional judgment 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 Legal Aid Society of the Orange County Bar Association, Inc.'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 Legal Aid Society of the Orange County Bar Association, Inc.'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 and the audit requirements of those standards and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of Legal Aid Society of the Orange County Bar Association, Inc.'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.

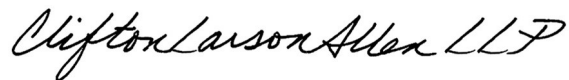
Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 type of 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Orlando, Florida
August 15, 2023

LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
SCHEDULE OF ACTIVITIES FOR THE FLORIDA BAR FOUNDATION
YEAR ENDED DECEMBER 31, 2022

| | Community Economic Development (C.E.N.T.S. Project) | Children's Legal Services | Administration of Justice | COVID Relief | IOTA Trail Run | IOTA Distribution | Total |
|--|---|---------------------------------|------------------------------|-----------------|-------------------|----------------------|------------|
| REVENUE AND SUPPORT | | | | | | | |
| Grants | \$ - | \$ 90,000 | \$ 130,000 | \$ - | \$ 85,754 | \$ 506,996 | \$ 812,750 |
| Interfund Transfer - FBF COVID | - | - | - | (59,007) | - | - | (59,007) |
| Interfund Transfer - Orange County, Florida | 2,192 | - | - | - | - | - | 2,192 |
| Net Assets Released from Restrictions | 39,036 | - | - | 127,137 | - | - | 166,173 |
| Total Revenue, Support, and Gains | 41,228 | 90,000 | 130,000 | 68,130 | 85,754 | 506,996 | 922,108 |
| EXPENSES | | | | | | | |
| Personnel Expenses: | | | | | | | |
| Lawyers/Paralegals | 14,887 | 23,106 | 21,146 | 24,682 | 27,175 | - | 110,996 |
| Other Staff | 11,687 | 11,808 | 14,881 | 19,019 | 24,470 | - | 81,865 |
| Employee Benefits and Payroll Taxes | 11,183 | 8,958 | 12,893 | 18,066 | 13,515 | - | 64,615 |
| Total Personnel Expenses | 37,757 | 43,872 | 48,920 | 61,767 | 65,160 | - | 257,476 |
| Nonpersonnel Expenses: | | | | | | | |
| Professional Fees and Contract Services | 1,503 | 1,090 | 49,145 | 2,280 | 1,673 | - | 55,691 |
| Parking | 37 | 40 | 50 | 56 | 48 | - | 231 |
| Office | 65 | 239 | 191 | 294 | 192 | - | 981 |
| Telephone | 278 | 368 | 380 | 530 | 404 | - | 1,960 |
| Building and Equipment Costs | 476 | 468 | 624 | 685 | 451 | - | 2,704 |
| Employee Professional Dues | 144 | 307 | 292 | 121 | 7 | - | 871 |
| Insurance | 512 | 648 | 705 | 862 | 493 | - | 3,220 |
| Travel | 27 | 48 | 73 | 77 | - | - | 225 |
| Maintenance of Library | 95 | 38 | 92 | 124 | 50 | - | 399 |
| Continued Education | 92 | - | 144 | 233 | 88 | - | 557 |
| Miscellaneous Postage | 40 | 50 | 63 | 69 | 75 | - | 297 |
| ProBono Attorney Training | 202 | 68 | 82 | 256 | 143 | - | 751 |
| Temporary Services | - | - | - | 776 | - | - | 776 |
| Total Nonpersonnel Expenses | 3,471 | 3,364 | 51,841 | 6,363 | 3,624 | - | 68,663 |
| Total Expenses | 41,228 | 47,236 | 100,761 | 68,130 | 68,784 | - | 326,139 |
| Excess of Revenues Over Costs - Net Asset With Donor Restriction at December 31, 2022 | \$ - | \$ 42,764 | \$ 29,239 | \$ - | \$ 16,970 | \$ 506,996 | \$ 595,969 |

**LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022**

| State Grantor/Pass Through Grantor/Project Title Program or Cluster Title | State CSFA Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | State Expenditures |
|--|-------------------------|--|---------------------------------------|-----------------------|
| State of Florida Justice Administration | | | | |
| Passed through Florida Statewide Guardian ad Litem | | | | |
| Office: | | | | |
| Orange County Legal Aid Services for Children and Youth Guardian ad Litem | 21.005 | 22-001 & 23-001 | \$ - | \$ 1,689,400 |
| Total Expenditures of State Financial Assistance | | | \$ - | \$ 1,689,400 |

See accompanying Note to Schedule of Expenditures of State Financial Assistance.

**LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2022**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state project activity of the Legal Aid Society of the Orange County Bar Association, Inc. (Legal Aid Society) for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Legal Aid Society, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Legal Aid Society.

Expenditures reported in the Schedule are recognized on the accrual basis of accounting. Such expenditures are reported following the cost principles established by the state of Florida Single Audit Act and individual grant agreements wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of Independent Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? _____ yes x no
 - Significant deficiency identified? _____ yes x no
3. Noncompliance material to financial statements noted? _____ yes x no

State Financial Assistance

1. Internal control over major projects:
- Material weakness identified? _____ yes x no
 - Significant deficiency identified? _____ yes x no
2. Type of auditors’ report issued on compliance for major projects: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General* of the State of Florida? _____ yes x no

Identification of Major Projects

CSFA Number(s)

21.005

Name of State Projects

Orange County Legal Aid Services for Children & Youth/Guardian Ad Litem

Dollar threshold used to distinguish between Type A and Type B projects – State Projects:

\$ 587,094

**LEGAL AID SOCIETY OF THE ORANGE COUNTY BAR ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings

No matters to report.

Section III – State Financial Assistance Findings

No matters to report.

Section IV – Other Reporting

1. No summary schedule of prior audit findings is presented because there were no prior audit findings related to state financial assistance projects.
2. No corrective action plan is presented because there were no findings required to be reported under the Florida Single Audit Act.



MANAGEMENT LETTER

Board of Directors
Legal Aid Society of the Orange County Bar Association, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the financial statements of the Legal Aid Society of the Orange County Bar Association, Inc. as of and for the fiscal year ended December 31, 2022 and have issued our report thereon dated August 15, 2023.

Auditors' Responsibility

We conducted our audit 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 Chapter 10.650, Rules of the Auditor General.

Other Reporting Requirements

We have issued our 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*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports, which are dated August 15, 2023, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or state project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the board of directors, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Orlando, Florida
August 15, 2023