

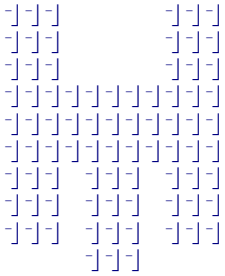
**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2024
(with comparable totals for 2023)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Legal Aid Society of Palm Beach County, Inc.
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Legal Aid Society of Palm Beach County, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, cash flows, and functional expenses 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 Legal Aid Society of Palm Beach County, Inc. as of September 30, 2024, 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 Legal Aid Society of Palm Beach County, 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 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 Legal Aid Society of Palm Beach County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Legal Aid Society of Palm Beach County, 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 Palm Beach County, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2025, on our consideration of Legal Aid Society of Palm Beach County, 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 Palm Beach County, 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 Palm Beach County, Inc.'s internal control over financial reporting and compliance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the schedule of Public Guardianship Program – State Funds is presented for purposes of additional analysis as required by the Florida Department of Elder Affairs, and is also not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance, and Public Guardianship Program – State Funds are the responsibility of management and were 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 schedules of expenditures of federal awards and state financial assistance, and Public Guardianship Program – State Funds are fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Legal Aid Society of Palm Beach County, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 27, 2025

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF FINANCIAL POSITION

As of September 30, 2024

(with comparable totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
ASSETS				
Cash and cash equivalents	\$ 4,107,003	\$ -	\$ 4,107,003	\$ 4,030,937
Investments	3,178,887	-	3,178,887	1,543,759
Accounts receivable	1,047,622	54,750	1,102,372	1,519,721
Other receivable	33,825	-	33,825	16,957
Prepaid expenses	181,903	-	181,903	82,570
	<u>8,549,240</u>	<u>54,750</u>	<u>8,603,990</u>	<u>7,193,944</u>
Total current assets				
Cash - designated	4,191,220	-	4,191,220	3,695,410
Deposits	4,750	-	4,750	4,750
Beneficial interest in trust	-	279,818	279,818	68,302
Furniture and equipment, net	43,238	-	43,238	45,294
Right-of-use assets:				
Operating leases, net	909,485	-	909,485	1,504,439
Finance leases, net	109,354	-	109,354	29,519
	<u>13,807,287</u>	<u>334,568</u>	<u>14,141,855</u>	<u>12,541,658</u>
Total assets				
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 116,510	\$ -	\$ 116,510	\$ 131,790
Accrued compensation	646,506	-	646,506	531,881
Deferred revenues	189,733	-	189,733	74,494
Refundable advances	1,089,360	-	1,089,360	169,127
Lease obligations, current portion:				
Operating leases	644,891	-	644,891	586,633
Finance leases	26,837	-	26,837	23,063
	<u>2,713,837</u>	<u>-</u>	<u>2,713,837</u>	<u>1,516,988</u>
Total current liabilities				
Trust account	24,098	-	24,098	11,506
Public guardianship account	4,167,122	-	4,167,122	3,683,904
Lease obligations:				
Operating leases	284,405	-	284,405	929,296
Finance leases	86,379	-	86,379	7,372
	<u>7,275,841</u>	<u>-</u>	<u>7,275,841</u>	<u>6,149,066</u>
Total liabilities				
Net assets:				
Without donor restrictions	6,531,446	-	6,531,446	6,275,540
With donor restrictions	-	334,568	334,568	117,052
	<u>6,531,446</u>	<u>334,568</u>	<u>6,866,014</u>	<u>6,392,592</u>
Total net assets				
Total liabilities and net assets	<u>\$ 13,807,287</u>	<u>\$ 334,568</u>	<u>\$ 14,141,855</u>	<u>\$ 12,541,658</u>

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

(with comparable totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
Support and revenues:				
Governmental grants	\$ 10,323,281	\$ -	\$ 10,323,281	\$ 10,498,466
Foundation grants	2,556,352	-	2,556,352	1,033,893
Other grants	290,519	73,000	363,519	384,047
Contributions	396,833	188,400	585,233	834,684
Program service revenue	207,918	-	207,918	196,621
Special events and activities	485,995	-	485,995	413,983
Interest and dividends, net	296,545	-	296,545	132,986
Change in unrealized gain on investments	186,310	-	186,310	53,206
Change in value of beneficial interest in trust	-	23,116	23,116	4,005
Other	1,175	-	1,175	341,007
	<u>14,744,928</u>	<u>284,516</u>	<u>15,029,444</u>	<u>13,892,898</u>
Total support and revenues				
Net assets released from restrictions	<u>67,000</u>	<u>(67,000)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	12,722,911	-	12,722,911	11,531,003
Management and general	1,158,898	-	1,158,898	837,684
Fundraising	674,213	-	674,213	453,608
	<u>14,556,022</u>	<u>-</u>	<u>14,556,022</u>	<u>12,822,295</u>
Total expenses				
Change in net assets	255,906	217,516	473,422	1,070,603
Net assets, beginning of year	<u>6,275,540</u>	<u>117,052</u>	<u>6,392,592</u>	<u>5,321,989</u>
Net assets, end of year	<u>\$ 6,531,446</u>	<u>\$ 334,568</u>	<u>\$ 6,866,014</u>	<u>\$ 6,392,592</u>

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2024

(with comparable totals for 2023)

	2024 Totals	2023 Totals
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 15,160,568	\$ 12,831,047
Cash received from client agencies	217,918	196,621
Cash received from fundraising events	591,234	446,478
Interest and dividends, net	296,545	132,986
Other cash received	1,175	341,007
Cash paid to employees	(12,118,090)	(10,584,082)
Cash paid for goods and services	(1,737,504)	(1,789,828)
Cash paid on operating leases	(661,467)	(379,220)
Net cash provided by operating activities	<u>1,750,379</u>	<u>1,195,009</u>
Cash flows from investing activities:		
Proceeds from sale of investments	6,087,039	2,912,825
Purchase of investments	(7,535,857)	(3,856,143)
Contributions to beneficial interest in trust	(183,000)	-
Purchase of furniture and equipment	(15,750)	(34,635)
Net cash used in investing activities	<u>(1,647,568)</u>	<u>(977,953)</u>
Cash flows from financing activities:		
Advances under agency transactions	496,594	629,158
Principal payments on finance lease obligations	(27,529)	(29,252)
Net cash provided by financing activities	<u>469,065</u>	<u>599,906</u>
Net change in cash and cash equivalents	571,876	816,962
Cash and cash equivalents, beginning of year	<u>7,726,347</u>	<u>6,909,385</u>
Cash and cash equivalents, end of year	<u>\$ 8,298,223</u>	<u>\$ 7,726,347</u>
Cash and cash equivalents	\$ 4,107,003	\$ 4,030,937
Cash - designated	<u>4,191,220</u>	<u>3,695,410</u>
	<u>\$ 8,298,223</u>	<u>\$ 7,726,347</u>

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2024

(with comparable totals for 2023)

	<u>2024</u> <u>Totals</u>	<u>2023</u> <u>Totals</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 473,422	\$ 1,070,603
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	48,281	44,899
Lease expense	594,954	330,731
Change in unrealized gain on investments	(186,310)	(53,206)
Contributions to beneficial interest in trust	(5,400)	-
Change in value of beneficial interest in trust	(23,116)	(4,005)
Decrease (increase) in:		
Accounts receivable	417,349	223,704
Other receivable	(16,868)	(16,205)
Prepaid expenses	(99,333)	(4,212)
Increase (decrease) in:		
Accounts payable	(16,065)	9,171
Accrued compensation	114,625	22,722
Deferred revenues	115,239	32,495
Refundable advances	920,234	(142,447)
Operating lease obligations	<u>(586,633)</u>	<u>(319,241)</u>
Net cash provided by operating activities	<u>\$ 1,750,379</u>	<u>\$ 1,195,009</u>

Supplemental information of noncash investing and financing activities:

During 2024, the Society incurred debt of \$110,310 in the form of finance leases for the right-of-use of office equipment.

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2024

(with comparable totals for 2023)

	Program	Management and General	Fundraising	2024 Totals	2023 Totals
Salaries	\$ 8,723,168	\$ 842,037	\$ 260,142	\$ 9,825,347	\$ 8,469,862
Payroll taxes	639,709	58,220	17,407	715,336	622,377
Employee benefits	<u>1,577,610</u>	<u>65,901</u>	<u>48,521</u>	<u>1,692,032</u>	<u>1,514,565</u>
Total personnel expenses	10,940,487	966,158	326,070	12,232,715	10,606,804
Bank charges	135	16,580	15,482	32,197	26,293
Bar functions	6,175	747	1,094	8,016	12,593
Depreciation	13,442	33,779	1,060	48,281	44,899
Dues and licenses	42,518	6,452	3,055	52,025	34,094
Equipment rental and maintenance	44,929	21,894	3,243	70,066	47,191
Fundraising event costs	5,293	1,404	224,371	231,068	205,811
Insurance	<u>53,273</u>	-	4,247	<u>57,520</u>	<u>55,823</u>
Library	35,499	2,978	171	38,648	41,053
Litigation costs	70,868	953	9	71,830	76,668
Miscellaneous expense	5,306	(1,590)	108	3,824	7,841
Other project expenses	37,517	745	100	38,362	51,892
Parking	<u>17,607</u>	<u>1,182</u>	<u>28</u>	<u>18,817</u>	<u>15,439</u>
Postage and shipping	21,021	268	3,741	25,030	21,544
Printing	20,319	-	2,758	23,077	16,186
Professional fees	353,345	26,601	19,001	398,947	408,880
Public relations	3,376	2,575	985	6,936	-
Recruiting	35,498	5,273	2,015	42,786	28,032
Rent and utilities	<u>627,015</u>	<u>11,572</u>	<u>49,767</u>	<u>688,354</u>	<u>674,562</u>
Specific assistance to individuals	119,591	20,939	-	140,530	174,784
Staff development	5,532	5,429	1,458	12,419	8,315
Supplies	<u>108,709</u>	<u>28,091</u>	<u>7,566</u>	<u>144,366</u>	<u>126,648</u>
Telephone and communications	32,447	5,863	1,485	39,795	38,912
Training and education	22,383	192	683	23,258	16,805
Travel	<u>100,626</u>	<u>813</u>	<u>5,716</u>	<u>107,155</u>	<u>81,226</u>
Total expenses	<u>\$12,722,911</u>	<u>\$ 1,158,898</u>	<u>\$ 674,213</u>	<u>\$14,556,022</u>	<u>\$12,822,295</u>

See accompanying notes to financial statements.

For the Year Ended September 30, 2024

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

Legal Aid Society of Palm Beach County, Inc. (the "Society"), is a Florida not-for-profit corporation organized on November 18, 1970 for the purpose of providing high quality civil legal advice, representation, and education to the disadvantaged of Palm Beach County in order to protect their personal safety, enhance their opportunities and living conditions, and promote self-sufficiency.

Basis of Accounting

The financial statements of the Society have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Support is recognized when received, revenues are recognized when earned, and expenses are recognized when incurred. The significant accounting policies followed by the Society are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Society follows FASB Accounting Standards Codification (FASB ASC) 958-205, *Presentation of Financial Statements*. The standard requires that the Society present information regarding its financial position and activities according to two classes of net assets, described as follows:

Net assets without donor restrictions: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in net assets without donor restrictions.

Net assets with donor restrictions: this classification includes those net assets whose use by the Society has been limited by donors to either later periods of time, or after specified dates, or for a specified purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the restricted amounts are reclassified to net assets without donor restrictions. This classification also includes those net assets that must be maintained by the Society in perpetuity. These are contributions for which donor-imposed restrictions limiting the Society's use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Society meeting certain requirements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

For the Year Ended September 30, 2024

1. Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The Society follows FASB ASC 820-10, *Fair Value Measurement and Disclosures*, which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended September 30, 2023, from which the summarized information was derived. Certain 2023 amounts have been reclassified to conform to 2024 classifications. Such reclassifications have no effect on the change in net assets as previously reported.

Cash and Cash Equivalents, Cash - Designated

For purposes of the statement of cash flows, the Society considers designated cash and all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents, except for such cash and short-term instruments that are held within the investment portfolio and classified as investments.

In connection with its Public Guardianship Program (PGP) and its legal practice, the Society maintains designated cash funds that are held in separate accounts for the benefit of wards and clients. These accounts are reported as non-current assets under the caption "cash - designated," and as non-current liabilities under the captions of "trust account" and "public guardianship account."

Investments

Investments of the Society are stated at fair value based on quoted prices on a national stock exchange, with the resulting realized and change in unrealized gains and losses included in the statement of activities. Investments as of September 30, 2024 consist primarily of mutual funds, US Treasuries, and Certificates of Deposit that are presented in the financial statement at fair value, with the resulting realized and change in unrealized gains and losses included in the statement of activities. Investment transactions and related expenses are accounted for on a trade date basis.

For the Year Ended September 30, 2024

1. Summary of Significant Accounting Policies, continued

Accounts Receivable

Accounts receivable consist of amounts due to the Society under various federal, state, and local grants, and arising from promises to give from United Way and other agencies. Because the amounts are considered to be fully collectible, there is no provision for doubtful accounts as of September 30, 2024.

Furniture and Equipment

Furniture and equipment is stated at cost, or if donated, at the approximate fair value at the date of the donation. Individual items costing less than \$1,500 are expensed. Expenditures for repairs and maintenance are charged to expense as incurred. Major improvements are capitalized. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years.

Compensated Absences

Full-time employees of the Society accrue vacation at varying rates depending upon the length of service. A maximum of 20 vacation days may be accumulated at any time during the year.

Refundable Advances

The Society has reimbursement arrangements with various grantors whereby the Society receives funds ahead of the expenditures. In accordance with the terms of these arrangements, any funds that are not spent within the contract period must be refunded to the grantors.

Contributions

In accordance with FASB ASC 958-605, *Revenue Recognition*, contributions received, including unconditional promises, are recognized as revenues when the donor's commitment is received. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support that increase the net asset with donor restriction class. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Special events revenue is recognized as revenue at the time of the event. Tickets sold prior to the event are recorded as deferred revenue.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and according to natural classification in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and activities benefited.

Advertising

The Society expenses advertising costs as incurred and includes such expenses in the public relations category in the statement of functional expenses.

For the Year Ended September 30, 2024

1. Summary of Significant Accounting Policies, continued

Leases

The Society accounts for all leases in accordance with FASB ASC 842, *Leases*, recognizing lease liabilities and right-of-use (ROU) assets in the statement of financial position for all leases that meet the definition of a lease, except for short-term leases with lease terms of 12 months or less where the practical expedient to not recognize lease liabilities and ROU assets is elected. Lease payments are recognized as rent expense in the statement of activities on a straight-line basis over the term of the lease.

Income Taxes

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Society’s tax-exempt purpose would be subject to taxation as unrelated business income. There were no such unrelated activities for the year ended September 30, 2024.

The Society follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold. The Society assesses its income tax position based on management’s evaluation of the facts, circumstances and information available at the reporting date. Management has analyzed the tax positions taken by the Society, and has concluded that as of September 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

2. Liquidity and Availability of Resources

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

Cash and cash equivalents	\$ 4,107,003
Investments	3,178,887
Accounts receivable	1,102,372
Other receivable	<u>33,825</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 8,422,087</u>

The Society is substantially supported by grants and by contributions without donor and with donor restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Society must maintain sufficient resources to meet those responsibilities to its donors. Some of the Society’s net assets with donor restrictions are available for general expenditure within one year of September 30, 2024 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Society in the coming year.

For the Year Ended September 30, 2024

2. Liquidity and Availability of Resources, continued

Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Furthermore, the Society has a \$350,000 line of credit of which management may draw upon in the event of unanticipated financial distress or an immediate liquidity need. The Society forecasts its future cash flows and monitors liquidity on a monthly basis.

3. Fair Value Measurements

FASB ASC 820-10 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

- Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.
- Level 2* – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Society in estimating fair value of financial instruments that are not disclosed under ASC 820.

Cash, Cash Equivalents, and Cash - Designated: The carrying amount reported approximates fair value.

Accounts and Other Receivable: The carrying amount approximates fair value due to the relative size, timing, and amounts to be collected.

Accounts Payable and Accrued Compensation: The carrying amount reported approximates fair value due to the short-term duration of the instruments.

Lease Obligations: The carrying amounts reported approximate fair value as the stated interest rates approximate market rates.

For the Year Ended September 30, 2024

3. Fair Value Measurements, continued

Items Measured at Fair Value on a Recurring Basis: The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2024.

Investments: Valued according to the market quotation provided by the custodian as of the close of business as of September 30, 2024.

Beneficial Interest in Trust: Valued by the 3rd party custodian at the current fair value of underlying investment assets in the account, which provides a perpetual stream of income to the Society.

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of September 30, 2024:

	<u>Assets at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$3,178,887	\$ -	\$ -	\$3,178,887
Beneficial interest in trust	<u>-</u>	<u>-</u>	<u>279,818</u>	<u>279,818</u>
Total	<u>\$3,178,887</u>	<u>\$ -</u>	<u>\$ 279,818</u>	<u>\$3,458,705</u>

The table below sets forth a summary of changes in the fair value of the beneficial interest in trust for the year ended September 30, 2024.

Balance, beginning of year	\$ 68,302
Issuances/contributions	188,400
Settlements/collections	-
Change in value	<u>23,116</u>
Balance, end of year	<u>\$ 279,818</u>

4. Accounts Receivable

Accounts receivable consisted of the following as of September 30, 2024:

Federal and state grants	\$ 760,463
Local government grants	267,826
Other grants	19,333
United Way allocation	<u>54,750</u>
	<u>\$ 1,102,372</u>

5. Prepaid Expenses

Prepaid expenses consisted of prepaid insurance, software licenses, IT services, and future events as of September 30, 2024:

For the Year Ended September 30, 2024

6. Investments

Investments are presented in the financial statement at fair value, with the resulting realized and change in unrealized gains and losses included in the statement of activities. Investment transactions and related expenses are accounted for on a trade date basis. Investments consist of the following as of September 30, 2024:

Money market funds	\$ 73,452
Fixed income securities:	
US Treasury notes	348,726
Government mortgage-backed securities	413,536
Corporate bonds	1,252,254
Equity mutual funds	<u>1,090,916</u>
Total investments at fair market value	3,178,884
Total investments at cost	<u>2,768,791</u>
Unrealized gains	410,093
Less beginning balance of unrealized gains	<u>223,783</u>
Total change in unrealized gain	<u>\$ 186,310</u>

7. Furniture and Equipment

Furniture and equipment consisted of the following as of September 30, 2024:

Furniture and fixtures	\$ 105,994
Computer equipment	140,508
Software	81,982
Other assets	<u>292,452</u>
	620,936
Less accumulated depreciation	<u>577,698</u>
Furniture and equipment, net	<u>\$ 43,238</u>

Depreciation expense for the year ended September 30, 2024, was \$17,806.

8. Beneficial Interest in Trust

The Society is the income beneficiary of a perpetual trust, whose assets are held by the Community Foundation for Palm Beach and Martin Counties, Inc. (the "Foundation") as an endowed component fund ("Fund"). Under the terms of the Fund, the Foundation's Board of Directors has a variance power to modify any restriction or condition on the distribution of funds for any specific charitable purpose or to specified organizations, if in their sole judgment (without the approval of any trustee, custodian, or agent), such restriction or conditions becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or the area served by the Foundation. The Fund is subject to the Foundation's investment and spending policies. During the year ended September 30, 2024, the Society did not receive any distributions from the Fund.

For the Year Ended September 30, 2024

9. Line of Credit

The Society has a \$350,000 line of credit with interest at the bank's prime rate (8.50% as of September 30, 2024), that is secured by accounts receivable and other business assets. No amount was outstanding as of September 30, 2024.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2024 consisted of the following:

Subject to the passage of time:	
Town of Palm Beach United Way allocation	\$ 54,750
Beneficial interest in trust	<u>41,418</u>
Total time restrictions	67,052
Perpetual in nature:	
Beneficial interest in trust	<u>238,400</u>
Total net assets with donor restrictions	<u>\$ 334,568</u>

11. Government Grants

Government grants consist of \$2,798,720 from various federal government agencies, \$1,084,888 from state government agencies, and \$6,439,673 from local government agencies.

Grants from local government agencies include \$4,889,547 from Children's Services Council, \$1,418,901 from Palm Beach County, and \$131,225 from other local government agencies.

Children's Services Council funds the following programs:

Non-profit Legal Assistance Project	\$ 64,000
Children's Advocacy Project	4,748,301
Project DULCE	34,601
Other	<u>42,645</u>
	<u>\$ 4,889,547</u>

Palm Beach County funds the following projects:

Domestic violence	\$ 113,643
Guardian advocacy	92,245
Guardianship program	152,542
Wage dispute project	145,333
Other legal assistance	<u>915,138</u>
	<u>\$ 1,418,901</u>

12. Foundation Grants

Foundation grants received during the year amounted to \$2,556,352, of which approximately \$2,143,000 was from the Funding Florida Legal Aid (f/k/a Florida Bar Foundation).

For the Year Ended September 30, 2024

13. Other Grants

Other grants received during the year amounted to \$363,519, of which approximately \$260,000 was awarded from Town of Palm Beach United Way and United Way of Palm Beach County.

14. Leases

Operating Lease

The Society leases its office space in West Palm Beach, Florida under a non-cancelable lease agreement that expires in February 2026. The lease requires minimum rental payments of \$55,800 per month, with annual increases of 3%.

Operating right-of-use asset as of September 30, 2024, consisted of the following:

Office space	\$ 1,835,170
Less accumulated amortization	<u>925,685</u>
Net operating right-of-use asset	<u>\$ 909,485</u>

Operating lease obligations as of September 30, 2024, consisted of the following:

Office space	\$ 929,296
Less current portion	<u>644,891</u>
Non-current portion	<u>\$ 284,405</u>

Undiscounted future lease payments under operating lease as of September 30, 2024, for each of the next two years are:

2025	\$ 681,311
2026	<u>287,367</u>
	968,678
Less discount to present value	<u>39,382</u>
Present value of future lease payments	929,296
Less current portion	<u>644,891</u>
Non-current portion	<u>\$ 284,405</u>

The discount has been calculated using an interest rate of 6.25%, which approximates the incremental borrowing rate of the Society for the acquisition of the related asset at the time the lease was recorded.

Operating lease expense for the year ended September 30, 2024, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Office space	<u>\$ 594,954</u>	<u>\$ 74,834</u>	<u>\$ 669,788</u>

For the Year Ended September 30, 2024

14. Leases, continued

Operating Lease, continued

Total lease expense was \$688,354 during the year ended September 30, 2024, and is included in the rent and utilities category in the statement of functional expenses. The difference between total rent and utilities expense and operating lease expense above of \$669,788 is \$18,566, which consists of payments for a storage facility that do not have long-term lease agreements.

Finance Lease

The Society leases certain office equipment under finance lease agreements that expire on various dates through March 2029. The assets and liabilities under these finance leases were recorded at the lower of the present value of minimum lease payments or the fair value of the assets. The assets are amortized over the lower of their lease term or their estimated useful lives. Amortization of equipment under finance leases are included in depreciation expense in the accompanying financial statements. Depreciation of assets under finance leases charged to expense during the year ended September 30, 2024, was \$30,475.

Minimum future lease payments under finance leases as of September 30, 2024, for each of the next five years and in the aggregate are:

2025	\$ 35,061
2026	29,355
2027	29,177
2028	28,645
2029	<u>11,842</u>
Total future lease payments	134,080
Less amount representing interest	<u>20,864</u>
Total obligation under finance lease	113,216
Less current portion	<u>26,837</u>
Long-term portion	<u>\$ 86,379</u>

The lease discount for the office equipment has been calculated using interest rates ranging from 6.25% to 8.50%, which approximates the incremental borrowing rate of the Society at the time the leases were measured. The weighted average lease term for the finance leases is 4.2 years. The weighted average discount rate for the finance leases is 8.37%

15. Retirement Plan

The Society maintains a 401(k) profit sharing plan for all eligible employees, as more fully described in the plan documents. The Society makes match contributions in an amount equal to 100% of the participant's elective contribution not in excess of 3% of the participant's compensation for the plan year. The Society also has the option to make discretionary contributions to the plan. The Society's contribution to the plan for the year ended September 30, 2024 was \$251,143, and is included in employee benefits expense in the statement of functional expenses.

For the Year Ended September 30, 2024

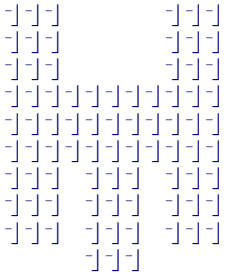
16. Concentration of Credit Risk

The Society maintains cash deposits at different banks, which the Society periodically evaluates and believes to be in sound financial condition. Deposits located at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. As of September 30, 2024, the uninsured portion of deposits aggregated to approximately \$4,200,000. The Society has not experienced any loss on such accounts and management believes it is not exposed to any significant credit risk arising from such balances.

Balances at brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. As of September 30, 2024, the security balances exceeded the SIPC insurance limit.

17. Subsequent Events

The Society's management has evaluated subsequent events through February 27, 2025, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



Holyfield & Thomas, LLC

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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

To the Board of Directors of
Legal Aid Society of Palm Beach County, Inc.
West Palm Beach, 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 Legal Aid Society of Palm Beach County, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Legal Aid Society of Palm Beach County, Inc.'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 Legal Aid Society of Palm Beach County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Legal Aid Society of Palm Beach County, Inc.'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 the 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 were not identified. 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.

Report on Compliance and Other Matters

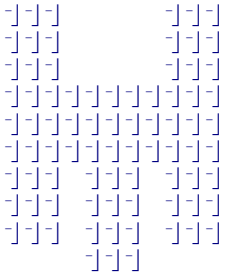
As part of obtaining reasonable assurance about whether Legal Aid Society of Palm Beach County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 instance 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 Legal Aid Society of Palm Beach County, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Legal Aid Society of Palm Beach County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 27, 2025



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF AUDITOR GENERAL

To the Board of Directors of
Legal Aid Society of Palm Beach County, Inc.
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program

We have audited Legal Aid Society of Palm Beach County, Inc.’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the Florida Department of Financial Services’ *State Projects Compliance Supplement* that could have a direct and material effect on each of Legal Aid Society of Palm Beach County, Inc.’s major federal programs and major state projects for the year ended September 30, 2024. Legal Aid Society of Palm Beach County, Inc.’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Legal Aid Society of Palm Beach County, Inc. 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 and major state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and Major State Project

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; 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); and the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General). Our responsibilities under those standards, the Uniform Guidance, and the Rules of the Auditor General, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Legal Aid Society of Palm Beach County, 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 federal program and major state project. Our audit does not provide a legal determination of Legal Aid Society of Palm Beach County, Inc.’s compliance with the compliance requirements referred to above.

Responsibilities of 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 Legal Aid Society of Palm Beach County, Inc.’s federal programs and state projects.

Auditor's 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 Palm Beach County, 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Rules of the Auditor General, 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 Palm Beach County, Inc.'s compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Rules of the Auditor General, 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 Palm Beach County, 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 Palm Beach County, 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 Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of Legal Aid Society of Palm Beach County, 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

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 or state project 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 or state project 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 or state project 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 Auditor's 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, and the Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 27, 2025

For the Year Ended September 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Major programs:	
Assistance Listing Number (ALN)	16.575
Name of federal program or cluster:	U.S. Department of Justice – Crime Victim Assistance
Assistance Listing Number (ALN)	93.044/.052
Name of federal program or cluster:	U.S. Department of Health and Human Services – Older Americans Act, Title III B and Title III E – Support Services
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	No

For the Year Ended September 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS, continued

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported

Type of auditor’s report issued on compliance on major projects:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> ?	No
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Major projects:

CSFA Number	65.003
Name of state project:	Florida Department of Elder Affairs – Statewide Public Guardianship Program

Dollar threshold used to distinguish between type A and type B projects:	\$ 300,000
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SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended September 30, 2024, relative to financial reporting for Legal Aid Society of Palm Beach County, Inc.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended September 30, 2024, relative to federal awards and state financial assistance for Legal Aid Society of Palm Beach County, Inc.

SECTION IV – PRIOR YEAR FINDINGS

There were no prior audit findings or questioned costs for the year ended September 30, 2023, relative to federal awards and state financial assistance requiring action on the part of the auditee for that fiscal year.

SUPPLEMENTARY INFORMATION

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

For the Year Ended September 30, 2024

Federal Grantor Pass-through Entity Federal Program Title	Period	Assistance Listing Number	Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Fair Housing Initiative Program	04/01/23 - 03/31/24	14.418	FPEI20046	\$ 194,977
Fair Housing Initiative Program	04/01/24 - 03/31/25	14.418	FPEI230095	104,019
Fair Housing Initiative Program	06/01/24 - 05/31/25	14.416	FEOI230020	<u>26,133</u>
				325,129
Passed through from Palm Beach County, Florida:				
Community Development Block Grants	10/01/23 - 09/30/24	14.218	R2023-1455	46,415
Emergency Solutions Grant Program	01/01/22 - 09/30/25	14.231	R2021-1906	419,313
Emergency Solutions Grant Program	07/01/23 - 06/30/24	14.231	E-20-DW120001	93,879
Passed through from City of Boynton Beach, Florida:				
Community Development Block Grants	10/01/23 - 09/30/24	14.218	R23-098	7,500
Passed through from City of Delray, Florida:				
Community Development Block Grants	10/01/23 - 09/30/24	14.218	FY2023-2024CDBG	3,039
Passed through from City of Jacksonville, Florida:				
Eviction Protection Grant Program:				
Florida Legal Aid Eviction Protection Proj	02/01/23 - 01/31/24	14.537	EP-21-FL-001	103,371
Florida Legal Aid Eviction Protection Proj	02/01/24 - 01/31/25	14.537	EP-21-FL-001	<u>26,807</u>
Total U.S. Department of Housing and Urban Development				<u>1,025,453</u>
U.S. Department of Justice:				
Passed through from Florida Office of the Attorney General:				
Crime Victim Assistance	10/01/23 - 09/30/24	16.575	VOCA-C-2023-Legal Aid Society of Palm-00036	<u>583,331</u>
Total U.S. Department of Justice				<u>583,331</u>
U.S. Department of Treasury:				
Low Income Taxpayer Clinics	01/01/23 - 12/31/23	21.008	23-LITC0636-01-01	61,618
Low Income Taxpayer Clinics	01/01/24 - 12/31/24	21.008	24-LITC0636-02-02	<u>108,750</u>
				170,368
Passed through from City of Lake Worth, Florida:				
American Rescue Plan Act of 2021	10/01/22 - 09/30/24	21.027	Y5177	<u>2,550</u>
Total U.S. Department of Treasury				<u>172,918</u>

(continued on next page)

*See independent auditor's report and accompanying notes to
Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

For the Year Ended September 30, 2024

Federal Grantor Pass-through Entity Federal Program Title	Period	Assistance Listing Number	Award Number	Federal Expenditures
<i>(continued from previous page)</i>				
U.S. Department of Veterans Affairs				
Legal Services for Veterans Grants	08/01/23 - 07/31/24	64.056	FL-994-LSV-103-22	\$ 130,495
Legal Services for Veterans Grants	08/01/24 - 09/30/25	64.056	FL-994-LSV-326-24	<u>42,199</u>
Total U.S. Department of Veterans Affairs				<u>172,694</u>
U.S. Department of Health and Human Services:				
Older Americans Act, Title III B and Title III E - Support Services	01/01/22 - 09/30/24	93.044/.052	IRP22-9001 003	109,111
	01/01/23 - 12/31/23	93.044/.052	IA 023-9001 002	28,969
	01/01/24 - 12/31/24	93.044/.052	IA 024-9001 002	<u>422,944</u>
				561,024
Passed through from Palm Beach County, Florida:				
HIV Emergency Relief Project	03/01/21 - 02/28/24	93.914	R2021-0308	105,187
HIV Emergency Relief Project	03/01/24 - 02/28/27	93.914	R2024-0533	<u>178,113</u>
Total U.S. Department of Health and Human Services				<u>844,324</u>
Total expenditures of federal awards				<u><u>\$ 2,798,720</u></u>

*See independent auditor's report and accompanying notes to
Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

For the Year Ended September 30, 2024

State Grantor Pass-through Entity State Project Title	Period	CSFA Number	Award Number	State Expenditures
Florida Department of Elder Affairs:				
Statewide Public Guardianship Program	07/01/21 - 06/30/24	65.003	X9141	\$ 766,522
	07/01/24 - 06/30/25	65.003	X9E24	260,592
Passed through from Area Agency on Aging of Palm Beach/ Treasure Coast, Inc.:				
Community Care for the Elderly	07/01/23 - 06/30/24	65.010	IC 023-9001	36,781
Community Care for the Elderly	07/01/24 - 06/30/25	65.010	IC 024-9001	<u>20,993</u>
Total expenditures of state awards				<u><u>\$ 1,084,888</u></u>

*See independent auditor's report and accompanying notes to
Schedule of Expenditures of Federal Awards and State Financial Assistance.*

For the Year Ended September 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state award activity of Legal Aid Society of Palm Beach County, Inc. for the year ended September 30, 2024. The information in this 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) and the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General). Because the Schedule presents only a selected portion of the operations of Legal Aid Society of Palm Beach County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Legal Aid Society of Palm Beach County, Inc.

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 and the Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Scope of Audit Pursuant to Uniform Guidance and Rules of the Auditor General

All federal and state awards of Legal Aid Society of Palm Beach County, Inc. are included in the scope of the Uniform Guidance and Rules of the Auditor General.

Programs tested as major federal programs included awards from the U.S. Department of Justice and the U.S. Department of Health and Human Services with fiscal year 2024 expenditures totaling \$1,144,355. Programs tested ensure coverage of at least 40 percent of federally granted funds.

The project tested as major state project included awards from the Florida Department Elder Affairs with fiscal year 2024 expenditures totaling \$1,027,114.

4. Contingencies

Grant monies received and disbursed by Legal Aid Society of Palm Beach County, Inc. are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, Legal Aid Society of Palm Beach County, Inc. does not believe that such disallowance, if any, would have a material effect on the financial position of Legal Aid Society of Palm Beach County, Inc. As of September 30, 2024, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

See independent auditor's report.



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125 Butler Street
West Palm Beach, FL 33407

This representation letter is provided in connection with your audit of the financial statements of Legal Aid Society of Palm Beach County, Inc. (the "Society"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 11, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Society's accounts.



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- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Society is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- As part of your audit, you assisted with preparation of the financial statements and disclosures and the schedules of expenditures of federal awards and state financial assistance, and Public Guardianship Program – State Funds. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and the schedules of expenditures of federal awards and state financial assistance, and Public Guardianship Program – State Funds.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Society from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements, and the schedule of expenditures of federal awards and state financial assistance.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Society and involves:
 - Management,



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- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Society's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- We have disclosed to you the names of all of the Society's related parties and all the related-party relationships and transactions, including any side agreements.
- The Society has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- Legal Aid Society of Palm Beach County, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Society's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Expenses for Program and Supporting Service

- We acknowledge our responsibility for presenting the schedule of functional expenses in accordance with the accrual basis of accounting and we believe the schedule of functional expenses, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the schedule of functional expenses have not changed from those used in prior periods, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of this schedule.

Federal and State Award Programs

- With respect to federal and state award programs:





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- We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General), relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
- We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and state financial assistance (the "Schedule") and related disclosures in accordance with the requirements of the Uniform Guidance and the Rules of the Auditor General, and we believe the Schedule, including its form and content, is fairly presented in accordance with the Uniform Guidance and the Rules of the Auditor General. The methods of measurement or presentation of the Schedule have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the Schedule.
- If the Schedule is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the Schedule no later than the date we issue the Schedule and the auditor's report thereon.
- We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and the Rules of the Auditor General compliance audit, and have included in the Schedule, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal and state awards, cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- We are responsible for understanding and complying with, and have complied with, the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major program and major project.
- We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended.



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- We have made available to you all federal and state awards (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relevant to federal and state programs and related activities.
- We have received no requests from a federal or state agency to audit one or more specific programs as a major program or major project.
- We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement* and in the Florida Department of Financial Services' *State Projects Compliance Supplement* relating to federal and state awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal and state awards.
- We have disclosed any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken



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regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.

- o Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- o The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.
- o We have charged costs to federal and state awards in accordance with applicable cost principles.
- o We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and the Rules of the Auditor General, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- o We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- o We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance and the Financial Reporting Package Submittal Checklist as required by the Rules of the Auditor General.
- o We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance and the Rules of the Auditor General.
- We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

Signed Michael F. Spillane
Michael F. Spillane

Signed: John Puleio
John Puleio

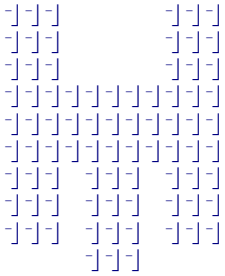
Title: Dir. Finance Admin

Title: CFO

Date: 2/27/25

Date: 2/27/25





Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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To the Board of Directors of
Legal Aid Society of Palm Beach County, Inc.
West Palm Beach, Florida

In planning and performing our audit of the consolidated financial statements of Legal Aid Society of Palm Beach County, Inc. (the "Society") as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Society's system of internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

Definitions Related to Internal Control Deficiencies

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Society's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Our Responsibilities

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors and others within the Society, and is not intended to be and should not be used by anyone other than these specified parties.

Holyfield & Thomas, LLC

West Palm Beach, FL
February 27, 2025