

IDAHO LEGAL AID SERVICES, INC.

Audited
Financial Statements

For the Years Ended December 31, 2023

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Independent Auditor's Report

Board of Directors
Idaho Legal Aid Services, Inc.
Boise, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Idaho Legal Aid Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respect, the financial position of Idaho Legal Aid Services as of December 31, 2023, 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 (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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Idaho Legal Aid Services 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 design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Idaho Legal Aid Services' ability to continue as a going concern for one year after the date that the financial statements are 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 Idaho Legal Aid Services' 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 Idaho Legal Aid Services' ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Idaho Legal Aid Services, Inc.'s December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 30, 2024, on our consideration of Idaho Legal Aid Services, 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 the Idaho Legal Aid Services, 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 Idaho Legal Aid Services, Inc.'s internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho

April 30, 2024, except note 16 dated May 22, 2024

Idaho Legal Aid Services, Inc.
Statements of Financial Position
December 31, 2023
(With Comparative Totals for 2022)

Assets	2023	2022
Current Assets		
Cash	\$ 573,053	\$ 434,110
Investments	516,203	757,139
Cash Held in Trust, Client Deposits	1,285	1,433
Grant Receivables	631,119	532,465
Prepaid Expenses	9,184	9,709
Total Current Assets	<u>1,730,844</u>	<u>1,734,856</u>
Property and Equipment		
Building	1,086,894	1,086,894
Furniture and Equipment	121,224	121,224
Law Library	9,405	9,405
Software License	37,000	37,000
	<u>1,254,523</u>	<u>1,254,523</u>
Less: Accumulated Depreciation	<u>(363,063)</u>	<u>(335,045)</u>
Total Property and Equipment	<u>891,460</u>	<u>919,478</u>
 Right-to-Use Asset	 499,255	 454,793
Less: Accumulated Amortization	<u>(390,352)</u>	<u>(313,854)</u>
Total Right-to-Use Asset	<u>108,903</u>	<u>140,939</u>
 Total Assets	 <u><u>\$ 2,731,207</u></u>	 <u><u>\$ 2,795,273</u></u>
 Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 196,147	\$ 78,628
Accrued and Withheld Payroll Costs	290,320	258,602
Client Deposits in Trust	1,285	1,433
Refundable Advance	250,475	457,337
Lease Payable, Current	64,010	76,498
Total Current Liabilities	<u>802,237</u>	<u>872,498</u>
Long-Term Liabilities		
Lease Payable, Net of Current	44,893	64,441
Total Long-Term Liabilities	<u>44,893</u>	<u>64,441</u>
 Total Liabilities	 <u>847,130</u>	 <u>936,939</u>
 Net Assets		
Without Donor Restrictions (See Note 6)	<u>1,607,733</u>	<u>1,435,739</u>
With Donor Restrictions (See Note 6)		
Legal Service Corporation - Property	238,522	404,245
	<u>238,522</u>	<u>404,245</u>
Non-Legal Service Corporation	<u>37,822</u>	<u>18,350</u>
 Total Net Assets With Donor Restrictions	 <u>276,344</u>	 <u>422,595</u>
Total Net Assets	<u>1,884,077</u>	<u>1,858,334</u>
Total Liabilities and Net Assets	<u><u>\$ 2,731,207</u></u>	<u><u>\$ 2,795,273</u></u>

The accompanying notes are an integral
part of the financial statements.

Idaho Legal Aid Services, Inc.
Statements of Activities
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions			2023 Total	2022 Summarized Total
		LSC	Non-LSC	Total		
Revenues						
Grants	\$ 156,874	\$ 2,691,997	\$ 2,573,328	\$ 5,265,325	\$ 5,422,199	\$ 4,358,800
Contributions	20	-	18,593	18,593	18,613	32,694
Attorney Fees	-	-	-	-	-	2,081
Investment Income	12,818	-	-	-	12,818	4,375
Donated Services	73,666	-	-	-	73,666	49,407
Gain/(Loss) on Sale of Equipment	-	-	-	-	-	50
Net Assets Released from Restriction:						
Restrictions Satisfied by Payments	5,272,136	(2,699,687)	(2,572,449)	(5,272,136)	-	-
Total Revenues	5,515,514	(7,690)	19,472	11,782	5,527,296	4,447,407
Expenses						
Program Services	4,546,593	-	-	-	4,546,593	3,696,718
General and Administrative	887,950	-	-	-	887,950	787,565
Fundraising	67,010	-	-	-	67,010	37,013
Total Expenses	5,501,553	-	-	-	5,501,553	4,521,296
Increase (Decrease) in Net Assets	13,961	(7,690)	19,472	11,782	25,743	(73,889)
Net Assets, Beginning of Year	1,593,772	246,212	18,350	264,562	1,858,334	1,932,223
Net Assets, End of Year	<u>\$ 1,607,733</u>	<u>\$ 238,522</u>	<u>\$ 37,822</u>	<u>\$ 276,344</u>	<u>\$ 1,884,077</u>	<u>\$ 1,858,334</u>

The accompanying notes are an integral
part of the financial statements.

Idaho Legal Aid Services, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Program Services	Supporting Services		2023 Total Expenses	2022 Total Expenses
	Legal Aid	General and Administrative	Fundraising		
Personnel Expenses					
Lawyers	\$ 1,691,535	\$ 121,127	\$ 30,875	\$ 1,843,537	\$ 1,791,149
Paralegals	126,878	1,887	-	128,765	97,942
Other	702,718	330,965	10,716	1,044,399	897,180
Employee Benefits	634,333	121,472	19,931	775,736	701,918
Total Personnel Expenses	3,155,464	575,451	61,522	3,792,437	3,488,189
Other Expenses					
Contract Services to Clients	945,473	-	-	945,473	490,710
Donated Services to Clients	73,666	-	-	73,666	-
Contract Services to Programs	-	157,510	-	157,510	7,448
Space and Occupancy	91,088	4,316	-	95,404	101,318
Equipment Rental and Repair	40,123	6,358	-	46,481	50,817
Office Expenses	88,966	29,816	1,468	120,250	71,901
Telephone	21,435	4,309	-	25,744	24,721
Library Maintenance	27,491	1,103	-	28,594	23,504
Litigation	1,220	66	-	1,286	3,384
Travel	15,841	3,723	-	19,564	19,554
Staff Training	30,541	36,264	2,275	69,080	50,848
Insurance	2,534	20,499	-	23,033	22,289
Data Processing and Audit	8,306	28,400	-	36,706	41,276
Depreciation and Amortization	28,017	-	-	28,017	28,028
Other	16,428	20,135	1,745	38,308	43,508
Total Other Expenses	1,391,129	312,499	5,488	1,709,116	979,306
Total Expenses	\$ 4,546,593	\$ 887,950	\$ 67,010	\$ 5,501,553	\$ 4,467,495

The accompanying notes are an integral
part of the financial statements.

Idaho Legal Aid Services, Inc
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Cash Flows from Operating Activities	<u>2023</u>	<u>2022</u>
Increase (Decrease) in Net Assets	\$ 25,743	\$ (73,889)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	28,017	29,239
(Gain)/Loss on Disposal of Assets	-	(50)
Unrealized (Gain)/Loss on Investments	-	(1,141)
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Client Deposits	148	(24)
(Increase) Decrease in Grant Receivables	(98,654)	(374,390)
(Increase) Decrease in Prepaid Expenses	525	(971)
Increase (Decrease) in Accounts Payable	117,519	(92,285)
Increase (Decrease) in Accrued and Withheld Payroll Costs	31,570	52,007
Increase (Decrease) in Deferred Revenue	(206,862)	(241,858)
Net Cash Provided (Used) by Operating Activities	<u>(101,994)</u>	<u>(703,362)</u>
Cash Flows from Investing Activities		
Purchase of Certificates of Deposit	-	250,029
Proceeds from Maturity of Certificates of Deposit	240,937	-
Proceeds from Sale of Property and Equipment	-	50
Net Cash Provided (Used) by Investing Activities	<u>240,937</u>	<u>250,079</u>
Cash Flows from Financing Activities		
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	138,943	(453,283)
Beginning Cash	434,110	887,393
Ending Cash	<u>\$ 573,053</u>	<u>\$ 434,110</u>
Displayed As:		
Cash and Cash Equivalents	<u>\$ 573,053</u>	<u>\$ 434,110</u>

The accompanying notes are an integral
part of the financial statements.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

1. ORGANIZATION

Idaho Legal Aid Services, Inc. (ILAS) is a nonprofit organization incorporated under the laws of the State of Idaho for the purpose of providing legal assistance in noncriminal proceedings or matters to persons in the State of Idaho and on recognized tribal lands, who are financially unable to afford legal assistance. ILAS is principally funded through contracts from the Legal Services Corporation (LSC), a nonprofit corporation established by Congress to administer the Federal government's legal assistance program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Idaho Legal Aid Services, Inc. have been prepared on the accrual basis of accounting. Under this basis revenues are recognized when earned and expenses are recorded when incurred.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: with or without donor restricted net assets.

Cash and Cash Equivalents

The Organization considers all unrestricted, short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash held in trust for others is excluded from the statement of cash flows.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

In accordance with FASB ASC 740 Income Taxes, the Organization has evaluated their operations as of December 31, 2023 as compared to their original application for tax-exempt not-for-profit status. Upon the evaluation, the Organization does not believe they have any business activities in place that would cause their tax-exempt not-for-profit status to not be sustained upon audit.

The Organization's federal exempt organization tax returns for the years ended December 31, 2023, 2022, and 2021 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at their fair value in the statements of financial position determined by quoted market prices. Donated investments are recorded at fair value at the date of gift. Investment gains and losses are included in the accompanying statements of activities as increases or decreases in without donor restricted net assets unless their use is temporarily or permanently restricted by explicit donor-imposed stipulations or legal requirements. Certificates of deposit held are valued at cost until maturity. Any penalties for early withdrawal would not have a material effect on the financial statements.

Fair Value

The Organization uses fair value for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the type of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

Property and Equipment

All acquisitions of property and equipment, and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at costs or, if donated, at the approximate fair value at the date of donation. It is the Organization's policy to capitalize purchases of capital assets greater than \$5,000. Depreciation and amortization are provided on a straight-line basis over estimated useful lives, once the asset is in operation, which ranges from three to 39 years.

Law Library

The Organization capitalizes the cost of law books, reference materials, and multiple volume sets of law books and expenses all updates. The Organization estimates that the useful value of its law library approximates the original cost and, accordingly, depreciation is not recorded.

Donated Services

The Organization receives donated services from law students as well as other personnel paid directly by other organizations. The value of donated services is based upon the estimated average wage or fee, which would normally be charged by the individuals providing the services.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Deferred Revenue

Deferred revenue is recognized to the extent cash advances exceed grant support earned.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance of other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Organization received grants of \$250,475 that have not been recognized as of December 31, 2023 because the condition(s) on which they depend have not yet been met. Of the total grants \$250,475 is dependent on approved expenditures to be made that will be covered by the grant proceeds.

Accrued Vacation

The Organization accrues vacation and sick leave. Employees are allowed to accumulate 225 hours of vacation leave. Upon termination, accrued vacation is payable. There is no compensation for accrued sick leave at the time of termination.

Contracts, Grants, and Contributions

Support revenue received is recorded as with or without donor restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), with donor restricted net assets is reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

In accordance with the terms of its grant from the Legal Services Corporation (LSC), the organization may use unspent funds in future periods as long as expenses incurred are in compliance with the specified terms of the grant. LSC may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the organization with the terms of the grants. In additions, if the Organization terminates its LSC grant activities, all unused funds are to be returned to LSC.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash investments. At December 31, 2023 and 2022, accounts at financial institutions are insured by the Federal Deposit Insurance Corporation and the National Credit Union Administration for up to \$250,000, and the Securities Investment Protection Corporation for up to \$500,000. At December 31, 2023 and 2022, the Organization had \$340,097 and \$286,512 uninsured, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on the functional basis in the statement of activities and the schedule of program revenues and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. According, 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 (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions and board-designated endowment.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or certain grantor) 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 restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donations 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.

3. INVESTMENTS

Financial Account Standards Board ASC 820, *Fair Value Measurements*, 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Organization 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.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measure

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

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.

Following is a description of the valuation methodologies used for assets measured at fair value:

Index Funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2023 and 2022:

	Investments at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Index Funds	<u>\$ 18,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,497</u>

	Investments at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Index Funds	<u>\$ 18,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,497</u>

Certificates of Deposit are stated at cost plus accrued interest. Certificates of Deposit were reported at \$498,198 and \$738,642 as of December 31, 2023 and 2022, respectively.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

4. DONATED SERVICES

The following summarizes the categories and amounts of donated services for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Attorney	\$ 57,200	\$ 26,206
Other	<u>16,466</u>	<u>23,201</u>
	<u>\$ 73,666</u>	<u>\$ 49,407</u>

5. PROPERTY AND EQUIPMENT

Property and equipment, and related depreciation as of December 31, 2023 and 2022 are summarized by funding source as follows:

No proceeds were received from the disposal of LSC property and equipment during 2023 and 2022. There were no LSC funds used for acquisition costs, financing, or capital improvements during 2023 and 2022.

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
LSC				
Building	\$ 299,908	\$ 61,386	\$ 299,908	\$ 53,696
Furniture and Equipment	102,844	102,844	102,844	102,844
Software Licenses	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
Total LSC	<u>439,752</u>	<u>201,230</u>	<u>439,752</u>	<u>193,540</u>
Non-LSC				
Senior Hotline	-	-	-	-
Building	786,986	134,048	786,986	113,720
Furniture and Equipment	18,380	18,380	18,380	18,380
Law Library	<u>9,405</u>	<u>9,405</u>	<u>9,405</u>	<u>9,405</u>
Total Non-LSC	<u>814,771</u>	<u>161,833</u>	<u>814,771</u>	<u>141,505</u>
Total All Programs	<u>\$ 1,254,523</u>	<u>\$ 363,063</u>	<u>\$ 1,254,523</u>	<u>\$ 335,045</u>

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

6. NET ASSETS

At December 31, 2023 and 2022, without donor restricted net assets consisted of the following:

	<u>2023</u>	<u>2022</u>
Property		
Purchased with Without Donor Restricted Funds	\$ 652,938	\$ 673,266
	<u>652,938</u>	<u>673,266</u>
Board Designated		
NEWI	(8,802)	(8,802)
Bar Dues Check Off	17,852	17,852
	<u>9,050</u>	<u>9,050</u>
Undesignated	<u>945,745</u>	<u>911,456</u>
Total Net Assets without Donor Restrictions	<u><u>\$ 1,607,733</u></u>	<u><u>\$ 1,593,772</u></u>

Legal Services Corporation, Housing and Urban Development, Department of Justice, and the Department of Health and Human Services maintain a reversionary interest in property purchased with their funds. The reversionary interest requires that property, or the proceeds from the sale of such property, must be returned to the appropriate funding source or transferred to another organization funded by that agency if the funding of the Organization is terminated.

At December 31, 2023 and 2022, with donor restricted net assets consisted of the following:

	<u>2023</u>	<u>2022</u>
LSC - Property	\$ 238,522	\$ 246,212
LSC Funds Total	<u>238,522</u>	<u>246,212</u>
Non-LSC Restricted Funds for Programs	<u>37,822</u>	<u>18,350</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 276,344</u></u>	<u><u>\$ 264,562</u></u>

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

7. LIQUIDITY AND AVAILABILITY

The Organization manages its liquid resources on fundraising efforts to ensure the entity has adequate contributions and grants to cover programs that are being conducted. The Organization prepares a zero-based budget to make sure that they have funds to cover the current year expenses. The Organization also has a board designated funds that can be used to assist in covering current year expenses.

The following reflects the Organization's current assets of cash and receivables, as of December 31, 2023, that are expected to be available within one year to meet cash needs for general expenditures.

	2023	2022
Cash	\$ 573,053	\$ 434,091
Investments	516,203	757,139
Grant Receivable	631,119	532,465
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 1,720,375</u>	<u>\$ 1,723,695</u>

8. SUMMARY OF FUNDING

The operations of the Organization are primarily funded by general purpose grants from LSC. The individual LSC grants to the Organization for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
LSC Basic	\$1,930,193	\$1,607,511
Native American	14,073	85,169
Migrant	439,428	468,151
Prior Year Spenddown	308,303	-
	<u>\$2,691,997</u>	<u>\$2,160,831</u>

Legal Services Corporation policy requires a recipient to devote an amount equal to at least 12.5% of the recipient's LSC annualized basic field work to the involvement of private attorneys in such delivery of legal services. Since 1998, the Organization has contracted with the Idaho Law Foundation to conduct a Pro Bono Project to fulfill part of this requirement.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

In addition to LSC grants, the Organization received the following as restricted grant and contract support for the years ended December 31, 2023 and 2022:

Department of Justice	\$1,241,809	\$ 921,769
Area Agencies on Aging	231,832	196,621
Idaho Law Foundation	133,500	123,300
United Way	10,215	28,770
Coeur d'Alene Tribe	3,629	-
Shoshone Bannock	60,000	60,000
Bryne Jag	12,423	11,716
Nez Perce Tribe	9,488	7,068
CDBG	7,217	13,428
HUD	833,215	396,426
Seargraves Family Foundatior	5,000	5,000
Other	43,593	190,047
	<u>\$2,591,921</u>	<u>\$1,954,145</u>

9. RETIREMENT PLAN

The Organization has a retirement plan and tax-sheltered annuity plan available to all eligible employees. All employees are eligible to contribute an amount up to the maximum allowed by law (based on calendar year). The Organization may contribute a percentage of annual salary for employees with one year of service depending upon availability of funds. For the years ended December 31, 2023 and 2022, the Organization contributed \$98,111 and \$74,447, respectively.

10. LEASES

The Organization reports all leases that have an original term, including all options to extend, of 12 months or more on their balance sheet as a right-to-use asset and a corresponding lease liability. If the original term of the lease, including all options to extend, is less than 12 months it is expensed over the life of the lease and is not recorded on the balance sheet.

The Organization entered into a lease for multiple copy machines and office spaces at multiple locations. These leases are operating lease, because at the end of the leases the organization intends to return all equipment and space.

The Organization has elected to use the IRS risk free rate to determine the interest portion of the lease. At the time this lease was entered into the Organization used a rate of 3%.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

The changes in lease payable are as follows:

Description	12/31/2022	Increase	Decrease	12/31/2023	Current
Copier Leases	\$ 22,088	\$ -	\$(12,480)	\$ 9,608	\$ 9,608
Office Leases	118,851	44,462	(64,018)	99,295	54,402
	<u>\$ 140,939</u>	<u>\$44,462</u>	<u>\$(76,498)</u>	<u>\$ 108,903</u>	<u>\$64,010</u>

The future payments for leases are as follows:

2023	\$66,264
2024	31,007
2025	<u>14,935</u>
Total	112,206
Less: Amount Attributed to Interest	(3,303)
Less: Current Portion	<u>(64,010)</u>
Long Term Lease Liability	<u>\$44,893</u>

11. ECONOMIC DEPENDENCE

Funding for LSC nationwide is under a Congressional appropriation until September 30, 2023, with an additional three months of funding for the Organization because of its different fiscal year. Funding must be authorized and/or appropriated by Congress for periods after September 30, 2023. The continued full operation of the Organization depends on continued funding of Legal Services Corporation.

12. PRIVATE ATTORNEY INVOLVEMENT (PAI) EXPENSES

Idaho Legal Aid Services, Inc. is required by LSC to expend 12.5% of its LSC basic field grant on PAI activities and projects. If Idaho Legal Aid Services, Inc.'s actual expenses for PAI activities and projects fall short of the required amounts listed for 2023, the amount of the shortfall is required to be added to the following year's PAI required spending threshold. Actual PAI expense for the year ended December 31, 2023 was \$247,034, which was more than the required \$241,274.

Idaho Legal Aid Services, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

13. SUBAWARDS

Idaho Legal Aid Services, Inc. and the Idaho Volunteer Lawyers (IVLP) are the only entities in Idaho providing free legal services to clients in need. As part of furthering the common goal ILAS make available to IVLP two subawards. One in the amount of \$103,000 to assist with the day to day functioning of the IVLP. The other subaward was given in conjunction with the Pro Bono Innovation grant received by ILAS. Both entities partnered to create a website where pro bono attorneys could sign up to take cases in their area of expertise.

14. LESSOR COMMITMENTS

Idaho Legal Aid Services, Inc. leases out part of an office building that was purchased with unrestricted funds. The cost and related accumulated depreciation for the building available for lease is:

Building	\$ 185,000
Less: Accumulated Deprecation	<u>(26,090)</u>
	<u>\$ 158,910</u>

The lease is on a month-to-month basis with either party able to cancel with a 30 day notice.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 30, 2024, the date the financial statements were available to be issued.

16. PRIOR YEAR RESTATEMENT

In prior years the net assets with donor restrictions for Legal Service Corporation was overstated by \$158,033, due to depreciation expense in the past not being properly allocated to the property purchased with Legal Service Corporation funds. This also caused the net assets without donor restrictions to be understated by \$158,033. IN the current year the beginning net assets for LSC funds was restated from \$404,245 to \$246,212 and net assets without donor restrictions was restated from \$1,435,739 to 1,593,772.

SUPPLEMENTAL INFORMATION

Idaho Legal Aid Services, Inc.
Statements of Support, Revenue, and Expenses, and
Changes in Net Assets for LSC Funds
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Basic Field Grant	Migrant	Native American	LSC Grant Carryover
Support and Revenue				
Grants and Contracts - Current Year	\$ 1,930,193	\$ 439,428	\$ 14,073	\$ -
Grants and Contracts - Prior Year	-	-	-	308,303
Attorney Fees	-	-	-	-
Interest	-	-	-	-
Gain / (Loss) on Sale of Assets	-	-	-	-
Total Support and Revenue	<u>1,930,193</u>	<u>439,428</u>	<u>14,073</u>	<u>308,303</u>
Personnel Expenses				
Lawyers	496,578	169,802	6,759	55,767
Paralegals	217	74,677	-	24
Other	578,864	83,951	3,423	65,001
Employee Benefits	<u>342,472</u>	<u>82,705</u>	<u>2,103</u>	<u>63,018</u>
Total Personnel Expenses	<u>1,418,131</u>	<u>411,135</u>	<u>12,285</u>	<u>183,810</u>
Other Expenses				
Contract Services to Clients	247,335	2,298	-	31,355
Contract Services to Programs	1,709	150	-	192
Space and Occupancy	74,473	11,555	-	8,363
Equipment Rental and Repair	39,336	-	-	4,417
Office Expenses	21,476	3,074	-	49,164
Telephone	17,796	744	-	1,998
Library Maintenance	22,443	3,035	-	2,520
Litigation	3	-	-	-
Travel	1,654	2,099	530	209
Staff Training	18,683	3,457	1,039	18,734
Insurance	19,431	176	169	2,182
Data Processing and Audit	29,445	-	-	3,306
Depreciation and Amortization	-	-	-	-
Other	18,278	1,705	50	2,053
Total Other Expenses	<u>512,062</u>	<u>28,293</u>	<u>1,788</u>	<u>124,493</u>
Total Expenses	<u>1,930,193</u>	<u>439,428</u>	<u>14,073</u>	<u>308,303</u>
Net Assets, Beginning of Year	-	-	-	-
Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Refundable Advance	<u>\$ -</u>	<u>\$ 147,828</u>	<u>\$ 102,647</u>	<u>\$ -</u>

Idaho Legal Aid Services, Inc.
Statements of Support, Revenue, and Expenses, and
Changes in Net Assets for LSC Funds (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Total	Property	2023 Total	2022 Total
Support and Revenue				
Grants and Contracts - Current Year	\$ 2,383,694	\$ -	\$ 2,383,694	\$ 1,709,377
Grants and Contracts - Prior Year	308,303	-	308,303	695,278
Attorney Fees	-	-	-	2,081
Interest	-	-	-	3,960
Gain / (Loss) on Sale of Assets	-	-	-	50
Total Support and Revenue	<u>2,691,997</u>	<u>-</u>	<u>2,691,997</u>	<u>2,410,746</u>
Personnel Expenses				
Lawyers	728,906	-	728,906	672,966
Paralegals	74,918	-	74,918	76,484
Other	731,239	-	731,239	779,709
Employee Benefits	490,298	-	490,298	410,470
Total Personnel Expenses	<u>2,025,361</u>	<u>-</u>	<u>2,025,361</u>	<u>1,939,629</u>
Other Expenses				
Contract Services to Clients	280,988	-	280,988	141,930
Contract Services to Programs	2,051	-	2,051	7,216
Space and Occupancy	94,391	-	94,391	92,211
Equipment Rental and Repair	43,753	-	43,753	47,927
Office Expenses	73,714	-	73,714	16,790
Telephone	20,538	-	20,538	21,212
Library Maintenance	27,998	-	27,998	23,047
Litigation	3	-	3	531
Travel	4,492	-	4,492	7,164
Staff Training	41,913	-	41,913	38,724
Insurance	21,958	-	21,958	19,132
Data Processing and Audit	32,751	-	32,751	38,563
Depreciation and Amortization	-	7,690	7,690	1,211
Other	22,086	-	22,086	16,670
Total Other Expenses	<u>666,636</u>	<u>7,690</u>	<u>674,326</u>	<u>472,328</u>
Total Expenses	<u>2,691,997</u>	<u>7,690</u>	<u>2,699,687</u>	<u>2,411,957</u>
Support and Revenue Over (Under) Expenses	-	(7,690)	(7,690)	(1,211)
Net Assets, Beginning of Year	-	246,212	246,212	405,456
Net Assets, End of Year	<u>\$ -</u>	<u>\$ 238,522</u>	<u>\$ 238,522</u>	<u>\$ 404,245</u>
Refundable Advance	<u>\$ 250,475</u>	<u>\$ -</u>	<u>\$ 250,475</u>	<u>\$ 456,664</u>

Idaho Legal Aid Services, Inc.
Schedule of Private Attorney Involvement
For the Year Ended December 31, 2023

LSC Basic Grant Revenue	\$ 1,930,193
	X 12.50%
Required PAI	<u>241,274</u>
PAI Expenses	
Personnel Expenses	
Other	\$ 45,483
Employee Benefits	900
Total Personnel Expenses	<u>46,383</u>
Other Expenses	
Contract Services to Clients	190,750
Office Expenses	9,901
Total Other Expenses	<u>200,651</u>
Total Expenses	<u>\$ 247,034</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Legal Services Corporation	Area Agencies on Aging	LAEP
Personnel Expenses			
Lawyers	\$ 728,906	\$ 210,799	\$ 1,431
Paralegals	74,918	529	-
Other	731,239	20,739	31
Employee Benefits	490,298	26,165	376
Total Personnel Expenses	<u>2,025,361</u>	<u>258,232</u>	<u>1,838</u>
Other Expenses			
Contract Services to Clients	280,988	38	31
Donated Services to Clients	-	-	-
Contract Services to Programs	2,051	-	-
Space and Occupancy	94,391	-	-
Equipment Rental and Repair	43,753	-	-
Office Expenses	73,714	19	-
Telephone	20,538	-	-
Library Maintenance	27,998	-	-
Litigation	3	-	-
Travel	4,492	114	-
Staff Training	41,913	510	-
Insurance	21,958	-	-
Data Processing and Audit	32,751	-	-
Depreciation and Amortization	7,690	-	-
Fundraising	-	-	-
Other	22,086	-	-
Total Other Expenses	<u>674,326</u>	<u>681</u>	<u>31</u>
Total Expenses	<u>\$ 2,699,687</u>	<u>\$ 258,913</u>	<u>\$ 1,869</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	CDBG	HUD Fair Housing	HUD Eviction
Personnel Expenses			
Lawyers	\$ 6,158	\$ 44,289	\$ 84,593
Paralegals	-	4,732	-
Other	722	33,114	30,159
Employee Benefits	1,329	16,528	30,868
Total Personnel Expenses	<u>8,209</u>	<u>98,663</u>	<u>145,620</u>
Other Expenses			
Contract Services to Clients	-	58,804	503,434
Donated Services to Clients	-	-	-
Contract Services to Programs	-	-	-
Space and Occupancy	-	102	136
Equipment Rental and Repair	-	161	214
Office Expenses	-	7,101	3,990
Telephone	-	110	147
Library Maintenance	-	6	558
Litigation	-	5	6
Travel	-	963	718
Staff Training	-	2,180	-
Insurance	-	136	181
Data Processing and Audit	-	335	446
Depreciation and Amortization	-	-	-
Fundraising	-	-	-
Lobbying	-	-	-
Total Other Expenses	<u>-</u>	<u>76,835</u>	<u>514,833</u>
Total Expenses	<u>\$ 8,209</u>	<u>\$ 175,498</u>	<u>\$ 660,453</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Identity Theft	United Way of Lewiston	Nhelp	Idaho Law Foundation	IOLTA Housing
Personnel Expenses					
Lawyers	\$ 69	\$ 5,599	\$ 56	\$ -	\$ 14,940
Paralegals	-	-	-	-	126
Other	16	221	-	-	3,840
Employee Benefits	-	1,352	-	-	13,521
Total Personnel Expenses	<u>85</u>	<u>7,172</u>	<u>56</u>	<u>-</u>	<u>32,427</u>
Other Expenses					
Contract Services to Clients	-	-	-	-	23
Donated Services to Clients	-	-	-	-	-
Contract Services to Programs	-	-	-	-	-
Space and Occupancy	-	-	-	-	-
Equipment Rental and Repair	-	-	-	-	-
Office Expenses	-	-	-	51	-
Telephone	-	-	-	-	-
Library Maintenance	-	-	-	-	-
Litigation	-	-	-	-	-
Travel	-	39	-	-	324
Staff Training	-	-	-	-	-
Insurance	-	-	-	-	-
Data Processing and Audit	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-
Fundraising	-	-	-	-	-
Lobbying	-	-	-	-	-
Total Other Expenses	<u>-</u>	<u>39</u>	<u>-</u>	<u>51</u>	<u>347</u>
Total Expenses	<u>\$ 85</u>	<u>\$ 7,211</u>	<u>\$ 56</u>	<u>\$ 51</u>	<u>\$ 32,774</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Seagraves Foundation	Marion Powell Trust	Marion Powell - Nampa/Boise	Stop Violence Against Women
Personnel Expenses				
Lawyers	\$ 8	\$ -	\$ -	\$ 46,987
Paralegals	-	-	-	-
Other	-	-	-	5,460
Employee Benefits	-	-	-	9,872
Total Personnel Expenses	<u>8</u>	<u>-</u>	<u>-</u>	<u>62,319</u>
Other Expenses				
Contract Services to Clients	2,021	(450)	350	39
Donated Services to Clients	-	-	-	-
Contract Services to Programs	-	-	-	-
Space and Occupancy	-	-	-	29
Equipment Rental and Repair	-	-	-	45
Office Expenses	-	-	-	75
Telephone	-	-	-	31
Library Maintenance	-	-	-	2
Litigation	60	132	187	1
Travel	-	-	-	140
Staff Training	-	-	-	-
Insurance	-	-	-	38
Data Processing and Audit	-	-	-	95
Depreciation and Amortization	-	-	-	-
Fundraising	-	-	-	-
Other	-	-	-	146
Total Other Expenses	<u>2,081</u>	<u>(318)</u>	<u>537</u>	<u>641</u>
Total Expenses	<u>\$ 2,089</u>	<u>\$ (318)</u>	<u>\$ 537</u>	<u>\$ 62,960</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	STOP - FACES	STOP - Statewide	Boise - WCA	Supreme Court	CESF
Personnel Expenses					
Lawyers	\$ 198	\$ 5,492	\$ 54,723	\$ 6,533	\$ -
Paralegals	-	-	-	-	-
Other	25	993	34	10	2,047
Employee Benefits	76	1,328	11,492	1,276	157
Total Personnel Expenses	<u>299</u>	<u>7,813</u>	<u>66,249</u>	<u>7,819</u>	<u>2,204</u>
Other Expenses					
Contract Services to Clients	-	-	483	-	4,841
Donated Services to Clients	-	-	-	-	-
Contract Services to Programs	-	-	-	-	-
Space and Occupancy	-	5	-	-	-
Equipment Rental and Repair	-	7	-	-	-
Office Expenses	-	10	29	-	22,040
Telephone	-	5	-	-	-
Library Maintenance	-	-	-	-	-
Litigation	-	-	294	-	-
Travel	-	66	137	44	-
Staff Training	-	-	-	-	-
Insurance	-	6	-	-	-
Data Processing and Audit	-	15	-	-	-
Depreciation and Amortization	-	-	-	-	-
Fundraising	-	-	-	-	-
Other	-	38	-	-	-
Total Other Expenses	<u>-</u>	<u>152</u>	<u>943</u>	<u>44</u>	<u>26,881</u>
Total Expenses	<u>\$ 299</u>	<u>\$ 7,965</u>	<u>\$ 67,192</u>	<u>\$ 7,863</u>	<u>\$ 29,085</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Byrne Jag	DOJ	Weyerhaeuser Grant	DOJ Rural Domestic
Personnel Expenses				
Lawyers	\$ 19,788	\$ 134,454	\$ -	\$ 125,556
Paralegals	-	31	-	46,745
Other	2,503	37,400	8	45,672
Employee Benefits	4,759	34,033	1	53,041
Total Personnel Expenses	<u>27,050</u>	<u>205,918</u>	<u>9</u>	<u>271,014</u>
Other Expenses				
Contract Services to Clients	-	44,899	4,260	152,592
Donated Services to Clients	-	-	-	-
Contract Services to Programs	-	-	-	-
Space and Occupancy	21	153	-	416
Equipment Rental and Repair	33	241	-	337
Office Expenses	47	1,518	-	3,448
Telephone	22	166	-	231
Library Maintenance	1	9	-	12
Litigation	1	509	-	81
Travel	182	1,248	82	7,171
Staff Training	-	9,828	9	7,840
Insurance	27	204	-	284
Data Processing and Audit	68	503	-	702
Depreciation and Amortization	-	-	-	-
Fundraising	-	-	-	-
Other	104	1,456	-	1,082
Total Other Expenses	<u>506</u>	<u>60,734</u>	<u>4,351</u>	<u>174,196</u>
Total Expenses	<u>\$ 27,556</u>	<u>\$ 266,652</u>	<u>\$ 4,360</u>	<u>\$ 445,210</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Domestic Violence Hotline	Domestic Shelter	Native American Rights Fund	BJA	DeAtley - Lewiston
Personnel Expenses					
Lawyers	\$ 192,519	\$ 80,538	\$ 14,433	\$ 20,854	\$ -
Paralegals	-	-	-	-	-
Other	27,742	27,626	1,701	2,452	-
Employee Benefits	44,631	23,575	2,458	3,943	-
Total Personnel Expenses	<u>264,892</u>	<u>131,739</u>	<u>18,592</u>	<u>27,249</u>	<u>-</u>
Other Expenses					
Contract Services to Clients	5,289	43,210	-	-	50
Donated Services to Clients	-	-	-	-	-
Contract Services to Programs	-	-	-	-	-
Space and Occupancy	57	68	18	8	-
Equipment Rental and Repair	1,542	107	28	13	-
Office Expenses	2,797	3,257	40	19	44
Telephone	4,393	73	19	9	-
Library Maintenance	3	4	1	-	-
Litigation	3	3	1	-	-
Travel	540	302	1,075	1,488	-
Staff Training	5,924	714	-	162	-
Insurance	75	90	23	11	-
Data Processing and Audit	186	223	58	28	-
Depreciation and Amortization	-	-	-	-	-
Fundraising	-	-	-	-	-
Other	286	344	89	42	-
Total Other Expenses	<u>21,095</u>	<u>48,395</u>	<u>1,352</u>	<u>1,780</u>	<u>94</u>
Total Expenses	<u>\$ 285,987</u>	<u>\$ 180,134</u>	<u>\$ 19,944</u>	<u>\$ 29,029</u>	<u>\$ 94</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	<u>Shoshone Bannock</u>	<u>Tribal Contracts</u>
Personnel Expenses		
Lawyers	\$ 17,539	\$ 5,649
Paralegals	-	-
Other	244	187
Employee Benefits	2,855	1,352
Total Personnel Expenses	<u>20,638</u>	<u>7,188</u>
Other Expenses		
Contract Services to Clients	30	-
Donated Services to Clients	-	-
Contract Services to Programs	-	-
Space and Occupancy	-	-
Equipment Rental and Repair	-	-
Office Expenses	29	-
Telephone	-	-
Library Maintenance	-	-
Litigation	-	-
Travel	30	405
Staff Training	-	-
Insurance	-	-
Data Processing and Audit	-	-
Depreciation and Amortization	-	-
Fundraising	-	-
Other	-	-
Total Other Expenses	<u>89</u>	<u>405</u>
Total Expenses	<u>\$ 20,727</u>	<u>\$ 7,593</u>

Idaho Legal Aid Services, Inc.
Schedule of Expenses by Funding Source (continued)
For the Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Total Grant Funds	Unrestricted Funds	2023 Total Expenses	2022 Total Expenses
Personnel Expenses				
Lawyers	\$ 1,822,111	\$ 21,426	\$ 1,843,537	\$ 1,791,151
Paralegals	127,081	1,684	128,765	97,944
Other	974,185	70,214	1,044,399	897,182
Employee Benefits	775,286	450	775,736	701,908
Total Personnel Expenses	<u>3,698,663</u>	<u>93,774</u>	<u>3,792,437</u>	<u>3,488,185</u>
Other Expenses				
Contract Services to Clients	1,100,932	-	1,100,932	540,399
Donated Services to Clients	-	73,666	73,666	-
Contract Services to Programs	2,051	-	2,051	7,448
Space and Occupancy	95,404	-	95,404	100,296
Equipment Rental and Repair	46,481	-	46,481	50,999
Office Expenses	118,228	2,022	120,250	71,158
Telephone	25,744	-	25,744	24,597
Library Maintenance	28,594	-	28,594	23,505
Litigation	1,286	-	1,286	3,385
Travel	19,560	4	19,564	19,500
Staff Training	69,080	-	69,080	47,585
Insurance	23,033	-	23,033	22,288
Data Processing and Audit	35,410	1,296	36,706	41,284
Depreciation and Amortization	7,690	20,327	28,017	29,239
Fundraising	-	-	-	399
Other	37,608	700	38,308	51,029
Total Other Expenses	<u>1,611,101</u>	<u>98,015</u>	<u>1,709,116</u>	<u>1,033,111</u>
Total Expenses	<u>\$ 5,309,764</u>	<u>\$ 191,789</u>	<u>\$ 5,501,553</u>	<u>\$ 4,521,296</u>

FEDERAL REPORTS

Idaho Legal Aid Services, In
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Flow through Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services:</u>			
Passed through Idaho Commission on Aging: ARRA Special Programs for Aging Title IV and Title II Discretionary	93.048		\$ 150,863
Pass through programs from Idaho Department of: Aging and Adult Services Special Programs for Aging Title III, Part B Grants for Supportive Services	93.044		101,838
Aging and Adult Services Eastern Idaho Special Services Agency National Family Caregiver Support	93.052		5,505
Total U.S. Department of Health and Human Services			258,206
<u>U.S. Department of Housing and Urban Development:</u>			
Private Enforcement Initiatives	14.418		175,498
Eviction Protection Grant Program	14.537		660,453
Total U.S. Department of Housing and Urban Development			835,951
<u>U.S. Department of Justice:</u>			
Direct Programs:			
Rural Domestic Violence and Child	16.589		445,210
Legal Assistance for Victims	16.524		266,652
Justice for Family	16.021		180,134
Passed through Montana Legal Services Grants, Training & Technical Assistance	16.815		22,396
Passed through Idaho Council on Domestic Violence Crime Victims Assistance	16.575		285,987
Passed through Idaho Department of Law Enforcement Assistance Grant (JAG) Program/ Grants Violence Against Women Formula Grants	16.738 16.588		27,556 62,960
Total U.S. Department of Justice			1,290,895
Legal Services Corporation	09.913-000		
Basic Field Grant			1,930,193
Migrant Grant			439,428
Native American Grant			14,073
LSC Grant Carryover			308,303
LSC Property			7,690
Total Legal Service Corporation	09.913-000		2,699,687
Total Federal Financial Assistance			\$ 5,084,739
Grants Passed Through to Subrecipients: Legal Services Corporation	09.913-000		\$ 103,000

Idaho Legal Aid Services, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Idaho Legal Aid Services, Inc. and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Idaho Legal Aid Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Idaho Legal Aid Services, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

Idaho Legal Aid Services, Inc. has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, Idaho Legal Aid Services, Inc. provided \$103,000 in federal awards to the Idaho Law Foundation as a subrecipient.



ZWYGART JOHN

CERTIFIED PUBLIC ACCOUNTANTS

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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**

Board of Directors
Idaho Legal Aid Services, Inc.
Boise, Idaho

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 Idaho Legal Aid Services, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related and the related notes to the financial statements, and have issued our report thereon dated April 30, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Idaho Legal Aid Services, Inc.'s internal control over financial reporting (internal control) to determine 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 Idaho Legal Aid Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Idaho Legal Aid Services, 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Idaho Legal Aid Services, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zwygart John & Associates, CPAs PLLC

Nampa, Idaho

April 30, 2024



ZWYGART JOHN

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Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by Uniform Guidance

Board of Directors
Idaho Legal Aid Services, Inc.
Boise, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Idaho Legal Aid Services, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Idaho Legal Aid Services, Inc.'s major federal programs for the year ended December 31, 2023. Idaho Legal Aid Services Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Idaho Legal Aid Services Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Idaho Legal Aid Services, 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. Our audit does not provide a legal determination of Idaho Legal Aid Services 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 Idaho Legal Aid Service Inc.'s federal programs.

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 Idaho Legal Aid Services 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Idaho Legal Aid Services Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Idaho Legal Aid Services 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 Idaho Legal Aid Services 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, but not for the purpose of expressing an opinion on the effectiveness of Idaho Legal Aid Services 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 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 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. Accordingly, this report is not suitable for any other purpose.

Zwysart John & Associates, CPAs PLLC

Nampa, Idaho
April 30, 2024

Idaho Legal Aid Services, Inc
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Significant deficiency(ies) disclosed? ☐ yes ☒ none reported

Material weakness(es) disclosed? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

Significant deficiency(ies) disclosed? ☐ yes ☒ none reported

Material weakness(es) disclosed? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major programs:

CFDA Numbers

Name of Federal Program

09.913-000

Legal Services Corporation

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee? ☒ yes ☐ no

Idaho Legal Aid Services, Inc
Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2023

Section II - Financial Statement Findings

None reported.

Section III - Findings and Questioned Costs for Federal Awards

No findings related to the federal awards were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).