



**CLARK SCHAEFER HACKETT**  
BUSINESS ADVISORS

## **Ohio Legal Help**

Financial Statements

June 30, 2023 and 2022

(with Independent Auditors' Report)

## TABLE OF CONTENTS

Independent Auditors' Report .....	1-2
Financial Statements	
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	5-6
Statements of Cash Flows .....	7
Notes to the Financial Statements .....	8-12

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Ohio Legal Help  
Columbus, Ohio

### **Opinion**

We have audited the accompanying financial statements of Ohio Legal Help (a not-for-profit organization), the "Organization", which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio Legal Help as of June 30, 2023 and 2022, and the results of its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ohio Legal Help and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Ohio Legal Help's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, including omissions, 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, 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 Ohio Legal Help'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 Ohio Legal Help'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.

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
March 26, 2024

Ohio Legal Help  
Statements of Financial Position  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 124,062	104,964
Current portion of contributions receivable	125,000	50,000
Prepaid expenses	<u>14,372</u>	<u>10,135</u>
	<u>263,434</u>	<u>165,099</u>
Property and equipment:		
Software	441,006	254,430
Less: accumulated depreciation	<u>95,615</u>	<u>65,995</u>
	<u>345,391</u>	<u>188,435</u>
	<u>\$ 608,825</u>	<u>353,534</u>
<b>Liabilities and Net Assets</b>		
Current liabilities -		
Accrued liabilities	\$ 32,122	25,281
Net assets:		
Without donor restrictions	541,703	203,609
With donor restrictions	<u>35,000</u>	<u>124,644</u>
	<u>576,703</u>	<u>328,253</u>
	<u>\$ 608,825</u>	<u>353,534</u>

See accompanying notes to the financial statements.

Ohio Legal Help  
Statements of Activities  
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Grants	\$ 99,108	35,000	134,108	405,694	50,000	455,694
Contributions	743,778	-	743,778	1,810	-	1,810
In-kind	142,180	-	142,180	61,461	-	61,461
Interest income	3	-	3	8	-	8
Other income	550	-	550	54,441	-	54,441
Net assets released from restrictions	<u>124,644</u>	<u>(124,644)</u>	<u>-</u>	<u>297,856</u>	<u>(297,856)</u>	<u>-</u>
	<u>1,110,263</u>	<u>(89,644)</u>	<u>1,020,619</u>	<u>821,270</u>	<u>(247,856)</u>	<u>573,414</u>
Expenses:						
Program services	680,649	-	680,649	666,783	-	666,783
Management and general	73,475	-	73,475	63,437	-	63,437
Fundraising	<u>18,045</u>	<u>-</u>	<u>18,045</u>	<u>24,312</u>	<u>-</u>	<u>24,312</u>
	<u>772,169</u>	<u>-</u>	<u>772,169</u>	<u>754,532</u>	<u>-</u>	<u>754,532</u>
Change in net assets	338,094	(89,644)	248,450	66,738	(247,856)	(181,118)
Net assets - beginning of year	<u>203,609</u>	<u>124,644</u>	<u>328,253</u>	<u>136,871</u>	<u>372,500</u>	<u>509,371</u>
Net assets - end of year	<u>\$ 541,703</u>	<u>35,000</u>	<u>576,703</u>	<u>203,609</u>	<u>124,644</u>	<u>328,253</u>

See accompanying notes to the financial statements.

Ohio Legal Help  
Statement of Functional Expenses  
Year Ended June 30, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
In-kind	\$ 38,369	-	-	38,369
Depreciation	29,621	-	-	29,621
Advertising and promotion	6,140	-	682	6,822
Bank service charges	-	188	-	188
Dues and subscriptions	-	501	-	501
Development	105	-	-	105
Insurance	-	1,833	-	1,833
Interest	1,794	-	-	1,794
Professional fees	-	17,102	-	17,102
Maintenance and software	3,823	1,019	255	5,097
Office supplies	777	207	52	1,036
Phone and internet	918	-	-	918
Postage and delivery	726	40	40	806
Printing and copying	842	47	47	936
Training and conferences	4,318	254	508	5,080
Website	64,154	-	-	64,154
Salaries and benefits	522,795	51,644	16,248	590,687
Travel and meals	6,135	627	209	6,971
Workers compensation	132	13	4	149
	<u>680,649</u>	<u>73,475</u>	<u>18,045</u>	<u>772,169</u>
Total expenses	\$ <u>680,649</u>	<u>73,475</u>	<u>18,045</u>	<u>772,169</u>

See accompanying notes to the financial statements.

Ohio Legal Help  
Statement of Functional Expenses  
Year Ended June 30, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
In-kind	\$ 36,009	-	-	36,009
Depreciation	30,878	-	-	30,878
Advertising and promotion	2,257	-	251	2,508
Bank service charges	-	45	-	45
Dues and subscriptions	-	388	-	388
Insurance	-	1,780	-	1,780
Professional fees	-	16,498	-	16,498
Maintenance and software	2,956	788	197	3,941
Office supplies	1,411	376	94	1,881
Phone and internet	924	-	-	924
Postage and delivery	294	78	20	392
Printing and copying	399	22	22	443
Training and conferences	1,432	84	168	1,684
Website	70,355	-	-	70,355
Salaries and benefits	516,447	43,037	23,312	582,796
Travel and meals	3,290	327	242	3,859
Workers compensation	131	14	6	151
	<u>666,783</u>	<u>63,437</u>	<u>24,312</u>	<u>754,532</u>
Total expenses	\$ <u>666,783</u>	<u>63,437</u>	<u>24,312</u>	<u>754,532</u>

See accompanying notes to the financial statements.



Ohio Legal Help  
Statements of Cash Flows  
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 248,450	(181,118)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	29,620	30,878
Paycheck Protection Program loan forgiveness	-	(53,541)
Contributed website development	(103,811)	(39,633)
Effects of changes in operating assets and liabilities:		
Contributions receivable	(75,000)	114,181
Prepaid expenses	(4,237)	5,151
Accrued liabilities	6,841	(7,847)
Net cash flows from operating activities	101,863	(131,929)
Cash flows from investing activities:		
Purchases of software and equipment	(82,765)	(58,974)
Net change in cash and cash equivalents	19,098	(190,903)
Cash and cash equivalents - beginning of year	104,964	295,867
Cash and cash equivalents - end of year	\$ 124,062	104,964

Supplemental Disclosure of Cash Flows Information

Non-cash investing and financing activities:		
Paycheck Protection Program loan forgiveness	\$ -	53,541
In-kind software development costs capitalized	\$ 103,811	39,633

See accompanying notes to the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Ohio Legal Help, the Organization, are set forth to facilitate the understanding of data presented in the financial statements:

### **Nature of operations**

The Organization is a not-for-profit that leverages technology and innovation to improve justice and fairness for all Ohioans. The Organization is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. The Organization was founded in May 2018 with operations beginning in September 2019.

### **New accounting standard**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The FASB also subsequently issued additional ASUs, which amended and clarified Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organization elected to adopt these ASUs effective July 1, 2022. In addition, the Organization adopted ongoing accounting policies to not recognize right-of-use (ROU) assets and lease liabilities for leasing arrangements with terms of less than one year. The adoption did not have a material impact on the Organization's statement of financial position or on the statements of activities. See Leases in Note 1 for policy elections; see also Note 2 – Operating Leases.

### **Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### **Basis of presentation**

The financial statements of the Organization have been prepared in accordance with U.S. GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets required to be maintained in perpetuity.

**Cash and cash equivalents**

The Organization considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

**Contributions receivable**

Contributions receivable are recognized as revenues in the period received and as assets, decreases of liabilities, or in-kind expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are met. Allowances are provided for amounts estimated to be uncollectible, based on management's analysis of specific outstanding contributions. There is no allowance as of June 30, 2023 or 2022.

**Property and equipment**

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which is five years.

**Revenue and support**

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until such time that the restrictions expire (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

**Donated assets and services**

Non-cash donations are recorded as contributions at their fair values at the date of donation. The Organization does not imply a time restriction on gifts of long-lived assets. Donated services are recognized as contributions in the accompanying statements of activities, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Functional expense allocations**

The statement of functional expenses reports expenses into programs, management and general and fundraising classifications. Expenses that are directly related to a specific functional classification are charged directly to the related functional category. Certain costs have been allocated among functional expenses based on an analysis of personnel time and other estimates.

**Advertising expenses**

Advertising costs are expensed as incurred. Advertising expense were \$6,822 and \$2,508 for the years ended June 30, 2023 and 2022, respectively.

**Leases**

The Organization considers an arrangement a lease if, at inception, the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. The Organization uses the risk-free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk-free rate is used as the information necessary to determine the rate implicit in the lease and the Organization's incremental borrowing rate is not readily available. The Organization has lease agreements with lease and non-lease components, which are generally accounted for as a single lease. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Short-term leases are less than one year without purchase or renewal options that are reasonably certain to be exercised and are recognized on a straight-line basis over the lease term. The right-of-use asset is tested for impairment in accordance with ASC 360.

### **Subsequent events**

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through March 26, 2024, the date the financial statements were available to be issued.

## **2. OPERATING LEASE:**

The Organization entered into a lease agreement on July 1, 2019 with one of the Organization's grantors to lease a portion of their office space through June 2030, unless terminated early by mutual agreement. During the first three years, the grantor provided the Organization with an in-kind contribution for the rent. The remaining term of the lease contains a conditional contribution of rent from the grantor, should the Organization's income fall below a specified dollar amount. All potential lease payments beginning in the year ended June 30, 2023 are considered to be variable.

## **3. EMPLOYEE BENEFIT PLAN:**

The Organization has established a 401(k) profit-sharing plan (the Plan). The Plan allows employees who meet certain age and hour requirements to make elective contributions. The Organization makes a safe harbor contribution of three percent of each employee's salary and contributes a discretionary profit-sharing contribution. During the years ended June 30, 2023 and 2022, the Organization made contributions to the Plan amounting to \$18,512 and \$14,654, respectively.

## **4. CONCENTRATIONS:**

The Organization maintains cash deposits with financial institutions located in Ohio. At times, these accounts may exceed federally insured limits. During the years ended June 30, 2023 and 2022, the Organization did not experience any losses resulting from these excess balances and believes it is not exposed to any significant credit risk with its cash on deposit.

In 2023 and 2022, the Organization received approximately 62% and 65%, respectively, of its revenue and support from one organization.

**5. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions consisted of the following at June 30:

	2023	2022
Legal Information and Action Plans for Mental Health	\$ 35,000	-
Continuous Improvement & Spanish Translation	-	19,686
ChatBot and LiveChat Pilot	-	50,000
Immigration	-	4,958
Future Virtual Self-Help Center	-	50,000
	\$ 35,000	124,644

**6. CONTRIBUTED NON-FINANCIAL ASSETS:**

The Organization receives and records contributions of donated professional services as support in the accompanying financial statements.

The donated services were as follows for the year ended June 30:

Revenue Recognized		Utilization	Donor Restrictions	Valuation Techniques and Inputs
2023	2022			
\$ 127,808	45,198	Website	Website build-out	Valued at the fair value of services as provided by the provider.
14,372	-	Rent	Occupancy	Valued at the fair value of rent provided by the landlord.
-	16,263	Public Relations	No associated donor restrictions	Valued at the fair value of services as provided by the provider.
\$ 142,180	61,461			

**7. LIQUIDITY:**

The Organization's support consists primarily of contributions and grants. The Organization must maintain sufficient resources to meet those responsibilities to its donors and grantors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table presents financial assets available to meet cash needs for general expenditures within one year at June 30:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 124,062	104,964
Contributions receivable, net	<u>125,000</u>	<u>50,000</u>
Financial assets available at year-end	249,062	154,964
Less those unavailable for general expenditures within one year due to -		
Restricted by donor with time or purpose restriction	<u>35,000</u>	<u>124,644</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 214,062</u>	<u>30,320</u>

