



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Ohio Legal Help

Financial Statements

June 30, 2024 and 2023

(with Independent Auditors' Report)

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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, 2024 and 2023, and the related statements of activities, cash flows, and functional expenses 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 19, 2025

Ohio Legal Help
Statements of Financial Position
June 30, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|--------------------------------|--------------------------|-----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 398,754 | 124,062 |
| Contributions receivable | - | 125,000 |
| Prepaid expenses | <u>17,050</u> | <u>14,372</u> |
| | <u>415,804</u> | <u>263,434</u> |
| Property and equipment: | | |
| Software | 604,839 | 441,006 |
| Less: accumulated depreciation | <u>176,120</u> | <u>95,615</u> |
| | <u>428,719</u> | <u>345,391</u> |
| | \$ <u><u>844,523</u></u> | <u><u>608,825</u></u> |
| Liabilities and Net Assets | | |
| Current liabilities - | | |
| Accrued liabilities | \$ 90,968 | 32,122 |
| Net assets: | | |
| Without donor restrictions | 710,716 | 541,703 |
| With donor restrictions | <u>42,839</u> | <u>35,000</u> |
| | <u>753,555</u> | <u>576,703</u> |
| | \$ <u><u>844,523</u></u> | <u><u>608,825</u></u> |

See accompanying notes to the financial statements.

Ohio Legal Help
Statements of Activities
Years Ended June 30, 2024 and 2023

| | 2024 | | | 2023 | | |
|---------------------------------------|-------------------------------|----------------------------|-----------------------|-------------------------------|----------------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenue and support: | | | | | | |
| Grants and contributions | \$ 1,007,902 | 50,000 | 1,057,902 | 842,886 | 35,000 | 877,886 |
| In-kind | 15,292 | - | 15,292 | 142,180 | - | 142,180 |
| Interest income | 7 | - | 7 | 3 | - | 3 |
| Other income | 375 | - | 375 | 550 | - | 550 |
| Net assets released from restrictions | <u>42,161</u> | <u>(42,161)</u> | <u>-</u> | <u>124,644</u> | <u>(124,644)</u> | <u>-</u> |
| | <u>1,065,737</u> | <u>7,839</u> | <u>1,073,576</u> | <u>1,110,263</u> | <u>(89,644)</u> | <u>1,020,619</u> |
| Expenses: | | | | | | |
| Program services | 798,226 | - | 798,226 | 680,649 | - | 680,649 |
| Management and general | 79,229 | - | 79,229 | 73,475 | - | 73,475 |
| Fundraising | <u>19,269</u> | <u>-</u> | <u>19,269</u> | <u>18,045</u> | <u>-</u> | <u>18,045</u> |
| | <u>896,724</u> | <u>-</u> | <u>896,724</u> | <u>772,169</u> | <u>-</u> | <u>772,169</u> |
| Change in net assets | 169,013 | 7,839 | 176,852 | 338,094 | (89,644) | 248,450 |
| Net assets - beginning 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> |
| Net assets - end of year | \$ <u><u>710,716</u></u> | <u><u>42,839</u></u> | <u><u>753,555</u></u> | <u><u>541,703</u></u> | <u><u>35,000</u></u> | <u><u>576,703</u></u> |

See accompanying notes to the financial statements.

Ohio Legal Help
Statement of Functional Expenses
Year Ended June 30, 2024

| | <u>Program</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|---------------------------|--------------------------|-----------------------------------|----------------------|-----------------------|
| In-kind | \$ 14,563 | - | - | 14,563 |
| Depreciation | 80,505 | - | - | 80,505 |
| Advertising and promotion | 8,599 | - | 955 | 9,554 |
| Bank service charges | - | 53 | - | 53 |
| Dues and subscriptions | - | 2,032 | - | 2,032 |
| Insurance | - | 2,058 | - | 2,058 |
| Interest | 422 | - | - | 422 |
| Professional fees | - | 16,886 | - | 16,886 |
| Maintenance and software | 4,646 | 1,239 | 310 | 6,195 |
| Office supplies | 3,883 | 1,035 | 259 | 5,177 |
| Phone and internet | 898 | - | - | 898 |
| Postage and delivery | 416 | 23 | 23 | 462 |
| Printing and copying | 707 | 39 | 39 | 785 |
| Training and conferences | 2,388 | 140 | 281 | 2,809 |
| Website | 109,417 | - | - | 109,417 |
| Salaries and benefits | 563,125 | 54,872 | 17,118 | 635,115 |
| Travel and meals | 8,525 | 838 | 279 | 9,642 |
| Workers compensation | <u>132</u> | <u>14</u> | <u>5</u> | <u>151</u> |
| Total expenses | \$ <u><u>798,226</u></u> | <u><u>79,229</u></u> | <u><u>19,269</u></u> | <u><u>896,724</u></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 | <u>132</u> | <u>13</u> | <u>4</u> | <u>149</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
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------|-----------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 176,852 | 248,450 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: | | |
| Depreciation | 80,505 | 29,620 |
| Contributed website development | (729) | (103,811) |
| Effects of changes in operating assets and liabilities: | | |
| Contributions receivable | 125,000 | (75,000) |
| Prepaid expenses | (2,678) | (4,237) |
| Accrued liabilities | <u>58,846</u> | <u>6,841</u> |
| Net cash flows from operating activities | 437,796 | 101,863 |
| Cash flows from investing activities: | | |
| Purchases of software and equipment | <u>(163,104)</u> | <u>(82,765)</u> |
| Net change in cash and cash equivalents | 274,692 | 19,098 |
| Cash and cash equivalents - beginning of year | <u>124,062</u> | <u>104,964</u> |
| Cash and cash equivalents - end of year | \$ <u><u>398,754</u></u> | <u><u>124,062</u></u> |

Supplemental Disclosure of Cash Flows Information

| | | |
|--|----------------------|-----------------------|
| Non-cash investing and financing activities: | | |
| In-kind software development costs capitalized | \$ <u><u>729</u></u> | <u><u>103,811</u></u> |

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.

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, 2024 or 2023.

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 \$9,554 and \$6,822 for the years ended June 30, 2024 and 2023, 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 19, 2025, 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 years ended June 30, 2024 and 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, 2024 and 2023, the Organization made contributions to the Plan amounting to \$23,279 and \$18,512, 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, 2024 and 2023, 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 2024 and 2023, the Organization received approximately 79% and 62%, 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:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|---------------|
| Legal Information and Action Plans for Mental Health | \$ 7,794 | 35,000 |
| Civil Freedom for Justice Involved | <u>35,045</u> | <u>-</u> |
| | <u>\$ 42,839</u> | <u>35,000</u> |

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:

| | <u>2024</u> | <u>2023</u> | <u>Utilization</u> | <u>Donor Restrictions</u> | <u>Valuation Techniques and Inputs</u> |
|----|----------------------|-----------------------|--------------------|---------------------------|---|
| \$ | 729 | 127,808 | Website | Website build-out | Valued at the fair value of services as provided by the provider. |
| | <u>14,563</u> | <u>14,372</u> | Rent | Occupancy | Valued at the fair value of rent provided by the landlord. |
| \$ | <u><u>15,292</u></u> | <u><u>142,180</u></u> | | | |

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>2024</u> | <u>2023</u> |
|--|--------------------------|-----------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 398,754 | 124,062 |
| Contributions receivable, net | <u>-</u> | <u>125,000</u> |
| Financial assets available at year-end | 398,754 | 249,062 |
| Less those unavailable for general expenditures within one year due to - | | |
| Restricted by donor with time or purpose restriction | <u>42,839</u> | <u>35,000</u> |
| Financial assets available to meet cash needs for general expenditures within one year | \$ <u><u>355,915</u></u> | <u><u>214,062</u></u> |