

**MID-MINNESOTA
LEGAL ASSISTANCE
AUDITED CONSOLIDATED
FINANCIAL STATEMENTS
December 31, 2022**

MID-MINNESOTA LEGAL ASSISTANCE
TABLE OF CONTENTS
For the Year Ended December 31, 2022

INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF ACTIVITIES	6
CONSOLIDATED STATEMENT OF CASH FLOWS	7
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	21
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENT OF FINANCIAL POSITION	22
CONSOLIDATING STATEMENT OF ACTIVITIES	23
SUPPLEMENTARY SCHEDULE OF GRANT SOURCES	24
SUPPLEMENTARY SCHEDULE OF FEDERAL ASSISTANCE	25
SUPPLEMENTARY SCHEDULE OF STATE AND COUNTY FUNDING	27
SUPPLEMENTARY SCHEDULE OF PPE FUNDING	29
SUPPLEMENTARY SCHEDULE OF OTHER FUNDING	30
SUPPLEMENTARY SCHEDULE OF RESTRICTED FUNDS	32
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	34
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	36
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	39
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	42
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	43
CORRECTIVE ACTION PLAN	46



Harrington Langer & Associates
Certified Public Accountants
563 Phalen Boulevard, St. Paul, MN 55130
651-481-1128 Phone | 651-481-0982 Fax
www.hlaccountants.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mid-Minnesota Legal Assistance
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mid-Minnesota Legal Assistance (including its subsidiary, The Fund for Legal Aid) (a non-profit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mid-Minnesota Legal Assistance as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mid-Minnesota Legal Assistance 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 consolidated 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 Mid-Minnesota Legal Assistance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance'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.

Report on Summarized Comparative Information

We have previously audited Mid-Minnesota Legal Assistance's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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 schedule of expenditures of federal awards 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 March 10, 2023, on our consideration of Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Minnesota Legal Assistance's internal control over financial reporting and compliance.

Hamington Langer & Associates

March 10, 2023

MID-MINNESOTA LEGAL ASSISTANCE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,773,839	\$ 5,166,715
Client escrow funds	104,683	222,104
Promises to give:		
Governmental support and other grants	2,429,223	2,117,126
Contributions	197,066	208,453
Prepaid expenses	56,741	63,475
TOTAL CURRENT ASSETS	7,561,552	7,777,873
PROPERTY AND EQUIPMENT, at cost	1,819,498	2,252,112
Less: accumulated depreciation	(840,043)	(756,080)
TOTAL PROPERTY AND EQUIPMENT, net	979,455	1,496,032
OTHER ASSETS		
Investments held at Community Foundation	3,803,477	3,740,375
Interest in charitable trust	-	105,501
Operating lease right-of-use assets	6,640,864	-
TOTAL OTHER ASSETS	10,444,341	3,845,876
TOTAL ASSETS	\$ 18,985,348	\$ 13,119,781

	<u>2022</u>	<u>2021</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 273,209	\$ 862,482
Client trust deposits	104,683	222,100
Accrued expenses	514,184	520,025
Grant advances	329,851	-
Operating lease liabilities, current portion	585,954	-
	<u>1,807,881</u>	<u>1,604,607</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	<u>6,584,187</u>	<u>-</u>
	<u>8,392,068</u>	<u>1,604,607</u>
NET ASSETS		
Net assets without donor restrictions	6,611,052	7,532,536
Net assets with donor restrictions	<u>3,982,228</u>	<u>3,982,638</u>
	<u>10,593,280</u>	<u>11,515,174</u>
	<u>\$ 18,985,348</u>	<u>\$ 13,119,781</u>

MID-MINNESOTA LEGAL ASSISTANCE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Without Donor Restrictions					
	Government	The Fund for Legal Aid	Property, Equipment and Law Library	Other	Total Without Donor Restrictions	Total
						2021
SUPPORT AND REVENUE						
Support:						
Governmental support	\$ 12,038,324	\$ -	\$ -	\$ -	\$ 12,038,324	\$ 13,130,900
Other grants	-	-	-	1,007,512	1,007,512	3,498,443
Contributions	175	1,160,011	-	886,967	2,047,153	1,684,394
In-kind contributions	-	-	-	488,004	488,004	230,642
Special events	-	400,312	-	-	400,312	407,755
Total Support	12,038,499	1,560,323	-	2,382,483	15,981,305	18,430,520
Revenue:						
Training and other revenue	-	-	-	61,054	61,054	9,844
Interest income	-	496	-	193	689	260
Attorney fees	52,317	-	-	60,256	112,573	283,833
Miscellaneous	-	-	-	-	-	2,318
Change in value of investments held at Community Foundation, net	-	-	-	(199,646)	(199,646)	624,746
Total Revenue	52,317	496	-	(78,143)	(25,330)	921,001
Net Assets Released from Restrictions	-	-	-	2,174,246	2,174,246	-
TOTAL SUPPORT AND REVENUE	12,090,816	1,560,819	-	4,478,586	18,130,221	19,351,521
EXPENSES						
Program Services	12,135,270	-	185,165	4,129,390	16,449,825	16,554,813
Supporting Services:						
Management and general	-	16,919	24,189	2,080,192	2,121,300	1,894,205
Fundraising	-	91,554	3,704	383,280	478,538	520,085
Total Supporting Services	-	108,473	27,893	2,463,472	2,599,838	2,414,290
TOTAL EXPENSES	12,135,270	108,473	213,058	6,592,862	19,049,663	18,969,103
CHANGE IN NET ASSETS	(44,454)	1,452,346	(213,058)	(2,114,276)	(919,442)	382,418
NET ASSETS, BEGINNING	-	926,824	1,496,032	5,109,680	7,532,536	11,515,174
TRANSFERS						
Furniture and Equipment Changes:						
Acquisitions	-	-	17,016	(17,016)	-	-
Disposal of equipment	-	-	(320,535)	320,535	-	-
Transfers to (from) Other	44,454	(1,650,000)	-	1,603,504	(2,042)	-
NET ASSETS, ENDING	\$ -	\$ 729,170	\$ 979,455	\$ 4,902,427	\$ 6,611,052	\$ 11,515,174

MID-MINNESOTA LEGAL SERVICES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (921,894)	\$ 382,418
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	213,058	304,009
Change in value of Community Foundation investments, net	518,783	(624,746)
Donations of property and equipment	320,535	-
Gain on disposal of equipment	-	(2,318)
Donation of interest in charitable trust	-	(105,501)
Change in value of interest in charitable trust	7,847	-
Change in:		
Promises to give	(300,710)	239,265
Prepaid expenses	6,734	(21,539)
Operating lease assets and liabilities	529,277	-
Accounts payable	(589,273)	(31,570)
Client trust deposits	(117,417)	186,718
Accrued expenses	(5,841)	15,140
Grant advances	329,851	(1,355,957)
NET CASH USED IN OPERATING ACTIVITIES	(9,050)	(1,014,081)
CASH FLOWS FROM INVESTING ACTIVITIES		
Contributions to Community Foundation	(724,988)	(260,940)
Distributions from Community Foundation	143,103	261,105
Proceeds from interest in charitable trust	97,654	-
Proceeds from disposal of equipment	-	8,824
Purchase of property and equipment	(17,016)	(259,477)
NET CASH USED IN INVESTING ACTIVITIES	(501,247)	(250,488)
DECREASE IN CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH	(510,297)	(1,264,569)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING	5,388,819	6,653,388
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, ENDING	\$ 4,878,522	\$ 5,388,819
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 4,773,839	\$ 5,166,715
Client escrow funds	104,683	222,104
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, ENDING	\$ 4,878,522	\$ 5,388,819

MID-MINNESOTA LEGAL ASSISTANCE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Support Services						Total 2021
	Mid-Minnesota Legal Assistance		The Fund for Legal Aid		Consolidated Support Services	Total 2022	
	Program Services	Management and General	Fundraising	Management and General			
EXPENSES							
Personnel salaries							
Lawyers	\$ 5,165,197	\$ 370,913	\$ 99,880	\$ -	\$ 48,008	\$ 518,801	\$ 6,217,132
Non-lawyers	3,759,453	665,588	105,385	-	-	770,973	4,401,188
Total salaries	8,924,650	1,036,501	205,265	-	48,008	1,289,774	10,618,320
Payroll taxes and employee benefits	3,487,820	405,063	80,219	-	13,572	498,854	3,736,254
Contract services	2,274,870	366,385	56,107	6,500	-	428,992	2,345,025
Travel	50,195	1,666	255	-	-	1,921	34,398
Space and occupancy	901,504	145,504	22,282	-	-	167,786	1,098,309
Office expenses	121,716	27,136	4,155	-	11,141	42,432	225,502
Equipment rental	81,404	5,402	827	-	-	6,229	89,497
Litigation costs	56,803	250	38	-	-	288	94,243
Library maintenance	53,205	430	66	-	-	496	58,219
Other direct expenses	312,493	91,855	14,066	10,419	18,833	135,173	365,327
Total expenses before depreciation	16,264,660	2,080,192	383,280	16,919	91,554	2,571,945	18,665,094
Depreciation	185,165	24,189	3,704	-	-	27,893	304,009
TOTAL EXPENSES	\$ 16,449,825	\$ 2,104,381	\$ 386,984	\$ 16,919	\$ 91,554	\$ 2,599,838	\$ 18,969,103

See notes to consolidated financial statements

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Mid-Minnesota Legal Assistance (MMLA or the Organization) is a non-profit corporation organized for the purpose of providing legal assistance throughout central Minnesota in non-criminal matters or proceedings to persons financially unable to afford legal assistance.

MMLA was incorporated in 1981 and on January 1, 1982, assumed the operations of three similar entities operating in western and central Minnesota: Legal Aid Society of Minneapolis, St. Cloud Area Legal Services Association, and Western Minnesota Legal Services, who were members of MMLA. During the year ended December 31, 2012, these entities were formally merged into MMLA.

Basis of Consolidation:

The Board of Directors of MMLA controls the appointment of the Board of Directors of The Fund for Legal Aid (FLA). Due to the Organization's control over FLA, and an economic relationship, FLA accounts are included in the consolidated financial statements. All funds raised by FLA can only be spent within the programs of Mid-Minnesota Legal Assistance. All intercompany transactions and accounts have been eliminated in consolidation.

Basis of Presentation:

The financial statements of MMLA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require MMLA 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 MMLA'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 be met by actions of MMLA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purpose of the consolidated statement of cash flows, the Organization considers all cash and investments which are intended to be held for less than three months as cash and cash equivalents. The Organization maintains its cash balances in financial institutions insured by the FDIC. At December 31, 2022, the Organization's uninsured cash balances totaled approximately \$3,900,000.

Client Escrow Funds:

The Organization holds funds for clients for various legal fees. A separate checking account is maintained for these funds.

Investments:

Investments are stated at fair value in the consolidated statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the increase (decrease) in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Promises to Give:

Unconditional promises to give are recognized as revenue in the period promised and as assets, decreases of liability or expenses depending on the form of benefit received. The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset if the discount rates materially affect the amounts expected to be collected. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. An allowance for doubtful accounts was not considered necessary at December 31, 2022.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Intentions to give are not recognized as revenues unless they are legally enforceable.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment:

Expenditures for property and equipment in excess of \$500 are capitalized. Contributed items are recorded at fair value at the date of donation. Amortization of leasehold improvements is computed using the straight-line method over the terms of the leases, since such periods are shorter than the estimated service lives. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Building and improvements	40
Furniture and equipment	5- 10
Law library	5

Revenue Recognition:

The Organization recognizes revenue from attorney fees when the fees are awarded, unless related to federal program funding, in which case the attorney fees are recognized as revenue when expended in the program.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statement of activities as net assets released from restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and 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 contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of approximately \$6,800,000 that have not been recognized at December 31, 2022 because qualifying expenditures have not yet been incurred with advance payments of \$329,851 recognized in the statement of financial position as grant advances.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses:

Expenses identified with a specific grant or contract are recorded under that grant or contract when incurred. Expenses incurred to support the work performed under more than one grant or contract are allocated using methods which most fairly allocate each expense. Expenses are allocated to functional categories using an apportionment of total overhead between management and general and fundraising expenses. All direct expenses are charged to program services.

Recently Adopted Accounting Pronouncements:

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, descriptions of programs or activities in which the assets were used, and if monetized, a policy about monetizing rather than utilizing the asset(s). The Organization has implemented Topic 958 and have adjusted the presentation in these financial statements accordingly.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The Organization adopted FASB ASC 842, with a date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. The Organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the impact of adoption of FASB ASC 842. The most significant effects of adopting FASB ASC 842 was the recognition of \$7,260,095 of operating lease right-of-use (ROU) assets and a total of \$7,730,504 of current and long-term operating lease liabilities on the consolidated statement of financial position as of January 1, 2022. In addition, the Organization derecognized \$470,409 of accrued rent expense. No cumulative effect adjustment to net assets as of January 1, 2022, was necessary. FASB ASC 842 did not have a significant effect on the results of operations or cash flows for the year ended December 31, 2022.

As part of the transition, the Organization implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncements (continued):

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.

Other practical expedients:

- Election not to record ROU assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less, but greater than one month. Leases of one month or less are not included in short-term lease costs.

Leases:

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for office space. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

Beginning January 1, 2022, operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the statement of financial position.

Lease Liabilities:

A lease liability is measured on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable. The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization has made the election to use a risk-free rate in lieu of its incremental borrowing rate using a period comparable with that of the individual lease term based on the information available at the commencement date for each lease. For existing leases at implementation date of ASC 842, the risk-free rate used is the rate comparable with the remaining lease term as of the implementation date.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ROU Assets:

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the term of the lease. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

Accounting Policy Election for Short-term Leases:

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Income Taxes:

Both MMLA and FLA have been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota statutes. They are classified as organizations that are not private foundations and charitable contributions by donors are tax deductible.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the applicable tax authorities. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

Comparative Financial Information:

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements from the year ended December 31, 2021, from which the summarized information was derived.

Subsequent Events:

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 10, 2023, the date the consolidated financial statements were available to be issued.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. AVAILABILITY AND LIQUIDITY

The following represents MMLA’s financial assets available for general expenditure within one year of December 31, 2022:

	Amount
Financial Assets at Year-end	
Cash and cash equivalents	\$ 4,773,839
Promises to give	2,626,289
Investments Held at Community Foundation	3,803,477
Total financial assets	11,203,605
Less amounts not available to be used within one year	
Net assets with donor restrictions	3,982,228
Less net assets with restrictions to be met in less than one year	(1,629,129)
Quasi endowment established by the board	1,450,378
Financial assets available to meet general expenditures within one year	\$ 7,400,128

MMLA’s goal is generally to maintain financial assets to meet 60 days of operating expenses. As part of its liquidity plan, excess cash is invested in money market accounts. The Organization’s Board of Directors has designated a portion of its net assets for endowment purposes. Those amounts are identified as quasi endowment in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

NOTE 3. PROPERTY AND EQUIPMENT

At December 31, 2022, property and equipment consisted of the following:

	Amount
Furniture and equipment	\$ 1,410,592
Building and improvements	401,915
Law library	6,991
	1,819,498
Accumulated depreciation	(840,043)
	\$ 979,455

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. INTEREST IN CHARITABLE TRUST

The Organization was a 25% remainder beneficiary of the Marvel L. Norton Revocable Trust. The Organization reported its beneficial interest in the assets of the Trust at fair value. The change in the fair value is included in realized and unrealized investment gain (loss) on the accompanying statement of activities. During the year ended December 31, 2022, the Organization received payment of the Trust.

NOTE 5. INVESTMENTS HELD AT COMMUNITY FOUNDATION

The Organization's agreement with the Community Foundation requires that the principal in the Endowment Fund be maintained as an endowment with the income available for distribution to MMLA subject to the Foundation's Board of Trustees' approval and subject to their "variance powers" to redirect such gifts. The Opportunities Fund is similarly structured except the principal contributed by MMLA (at the request of MMLA) can be distributed back to MMLA subject to the Foundation's discretion. Management determined that this Board designated endowment should be included in net assets without donor restrictions. Although the Foundation has "variance powers" to alter the recipient of the gifts in the donor-advised fund, the Organization still retains a future economic interest in the net assets of the Community Foundation and should record the fair value of its share of the Foundation's holdings on its financial statements.

NOTE 6. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). MMLA groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels include:

- | | |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">• Quoted prices for similar assets/liabilities in active markets;• Quoted prices for identical or similar assets in non-active markets;• Inputs other than quoted prices that are observable for the asset/liability; and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. FAIR VALUE MEASUREMENTS (continued)

As of December 31, 2022, all of the Organization's investments are included in Investments held at the Community Foundation. Investments held at the Community Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities, as well as limited marketability investments, including private equities, absolute return investments, and real estate. A substantial portion of the underlying assets at the foundation is measured at fair value using Level 1 and Level 2 inputs. MMLA's ownership in such investments is represented by an undivided interest in investment portfolios managed by the foundation, not in the underlying assets themselves. The undivided interests in these portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs. Accordingly, they are reported as Level 3 measurements. See Note 7 for the change in value of these Level 3 investments.

NOTE 7. ENDOWMENT FUNDS

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by GAAP, net assets associated with the endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions. All of the Organization's endowment funds are held by the Community Foundation, the investment of which is determined by the Foundation rather than the Organization. See Note 5.

Endowment net asset composition by type of fund at December 31, 2022 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 2,353,099	\$ 2,353,099
Board designated	1,450,378	-	1,450,378
	<u>\$ 1,450,378</u>	<u>\$ 2,353,099</u>	<u>\$ 3,803,477</u>

Changes in endowment net assets for the year ended December 31, 2022 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment, 1/1/22	\$ 987,554	\$ 2,752,821	\$ 3,740,375
Contributions	619,486	-	619,486
Other transfers	105,502	-	105,502
Investment return:			
Management fees	(12,126)	(19,641)	(31,767)
Realized and unrealized gains	(187,520)	(299,496)	(487,016)
Appropriation of endowment assets for expenditure	<u>(62,518)</u>	<u>(80,585)</u>	<u>(143,103)</u>
Endowment, 12/31/22	<u>\$ 1,450,378</u>	<u>\$ 2,353,099</u>	<u>\$ 3,803,477</u>

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022, consisted of the following:

	Amount
Purpose Restricted	
Affordable Rental Housing	\$ 592,022
Community Partnership	196,988
Fellowships	162,564
Housing Services	156,392
Immigration	293,770
Law Fellows	21,166
Medical Legal Partnership	49,445
MN Asset Building Coalition	29,550
Navigator Coalition	127,232
Investments to be held in perpetuity	2,353,099
Total Net Assets With Donor Restrictions	\$ 3,982,228

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2022:

	Amount
Purpose Restricted	
Affordable Rental Housing	\$ 406,386
Community Partnership	79,560
Fellowships	153,063
Housing Services	582,340
Immigration	319,172
Law Fellows	106,299
Medical Legal Partnership	232,353
MN Asset Building Coalition	85,625
Navigator Coalition	107,862
Seniors	21,001
Appropriation of endowment assets for expenditure	80,585
Total Released from Restrictions	\$ 2,174,246

NOTE 9. LEASES

The Organization leases office facilities and equipment under various long-term non-cancelable operating lease arrangements that expire through February 2035. Most leases include renewal options which can extend the lease term. The exercise of these renewal options is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. The Organization subleases various leases to an unrelated entity under an annual lease agreement.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9. LEASES (continued)

For the year ended December 31, 2022, the components of operating lease expenses, all of which is included in space and occupancy in the consolidated statement of functional expenses except for \$52,224 which is included in equipment rental, were as follow:

Operating lease cost	\$ 782,195
Short-term lease cost	\$ 30,604
Sublease income	\$ (199,440)

Supplemental cash flow information for the year ended December 31, 2022:

Operating cash flows from operating leases	\$ 753,931
ROU assets obtained in exchange for new operating leases	\$ 7,730,504

Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease terms	11.86 Years
Weighted average discount rate	1.50%

The maturities of operating lease liabilities as of December 31, 2022 were as follows:

Year Ending December 31,	Amount
2023	\$ 689,133
2024	601,987
2025	569,505
2026	586,421
2027	603,337
Thereafter	4,818,243
Total lease payments	7,868,626
Less: interest	(698,485)
Present value of lease liability	<u>\$ 7,170,141</u>

NOTE 10. IN-KIND CONTRIBUTIONS

The Organization received donated legal services for program purposes. Donated services are recorded when there is an objective basis to measure the value of such services and the service involves specialized skills that would be purchased, if not provided by donation. Based on the current market rate for these services, the Organization would have paid \$488,004 for the services provided in the year ended December 31, 2022.

All gifts-in-kind received by the Organization for the year ended December 31, 2022 were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. RETIREMENT PLAN

The Organization participates in a Section 403(b) retirement savings plan (the Plan) covering all employees who meet eligibility requirements and elect to participate in the Plan. The Plan also has an employer only contribution component. To be eligible for the employer only contribution, an employee has to work one year, and if they work part time, the contribution is prorated to the percentage of time worked. The employer only contribution was \$1,000 per year; the match was at 25% of the employee's contribution, not to exceed 6% of the employee's salary. Contributions for 2022 were \$341,585.

NOTE 12. RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on previously reported net assets.



Harrington Langer & Associates
Certified Public Accountants
563 Phalen Boulevard, St. Paul, MN 55130
651-481-1128 Phone | 651-481-0982 Fax
www.hlaccountants.com

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Mid-Minnesota Legal Assistance
Minneapolis, Minnesota

We have audited the consolidated financial statements of Mid-Minnesota Legal Assistance (including its subsidiary, The Fund for Legal Aid) as of and for the year ended December 31, 2022, and our report thereon dated March 10, 2023, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1-3. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The following supplementary information on pages 22-33, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Harrington Langer & Associates

March 10, 2023

MID-MINNESOTA LEGAL ASSISTANCE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2022
(With Comparative Totals for 2021)

	Mid-Minnesota Legal Assistance	The Fund for Legal Aid	Eliminations	Total 2022	Total 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 3,270,547	\$ 1,503,292	\$ -	\$ 4,773,839	\$ 5,166,715
Client escrow funds	104,683	-	-	104,683	222,104
Promises to give:					
Government support and other grants	3,398,878	-	(969,655)	2,429,223	2,117,126
Contributions	1,533	195,533	-	197,066	208,453
Net assets of The Fund for Legal Aid	729,170	-	(729,170)	-	-
Prepaid expenses	56,741	-	-	56,741	63,475
TOTAL CURRENT ASSETS	7,561,552	1,698,825	(1,698,825)	7,561,552	7,777,873
PROPERTY AND EQUIPMENT, at cost	1,819,498	-	-	1,819,498	2,252,112
Less: accumulated depreciation	(840,043)	-	-	(840,043)	(756,080)
TOTAL PROPERTY AND EQUIPMENT, net	979,455	-	-	979,455	1,496,032
OTHER LONG-TERM ASSETS					
Investments held at Community Foundation	3,803,477	-	-	3,803,477	3,740,375
Interest in charitable trust	-	-	-	-	105,501
Operating lease right-of-use assets	6,640,864	-	-	6,640,864	-
TOTAL OTHER LONG-TERM ASSETS	10,444,341	-	-	10,444,341	3,845,876
TOTAL ASSETS	\$ 18,985,348	\$ 1,698,825	\$ (1,698,825)	\$ 18,985,348	\$ 13,119,781
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 273,209	\$ 969,655	\$ (969,655)	\$ 273,209	\$ 862,482
Client trust deposits	104,683	-	-	104,683	222,100
Accrued expenses	514,184	-	-	514,184	520,025
Grant advances	329,851	-	-	329,851	-
Operating lease liabilities, current portion	585,954	-	-	585,954	-
TOTAL CURRENT LIABILITIES	1,807,881	969,655	(969,655)	1,807,881	1,604,607
LONG-TERM LIABILITIES					
Operating lease liabilities, net of current portion	6,584,187	-	-	6,584,187	-
TOTAL LIABILITIES	8,392,068	969,655	(969,655)	8,392,068	1,604,607
NET ASSETS					
Net assets without donor restrictions	6,611,052	729,170	(729,170)	6,611,052	7,532,536
Net assets with donor restrictions	3,982,228	-	-	3,982,228	3,982,638
TOTAL NET ASSETS	10,593,280	729,170	(729,170)	10,593,280	11,515,174
TOTAL LIABILITIES AND NET ASSETS	\$ 18,985,348	\$ 1,698,825	\$ (1,698,825)	\$ 18,985,348	\$ 13,119,781

See independent auditor's report
on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Mid-Minnesota Legal Assistance	The Fund for Legal Aid	Eliminations	Total 2022	Total 2021
SUPPORT AND REVENUE					
Support:					
Governmental support	\$ 12,038,324	\$ -	\$ -	\$ 12,038,324	\$ 13,130,900
Other grants	5,148,443	-	(1,650,000)	3,498,443	2,976,829
Contributions	1,375,146	1,160,011	-	2,535,157	1,915,036
Special events	-	400,312	-	400,312	407,755
Total Support	<u>18,561,913</u>	<u>1,560,323</u>	<u>(1,650,000)</u>	<u>18,472,236</u>	<u>18,430,520</u>
Revenue:					
Training and other revenue	61,054	-	-	61,054	9,844
Interest income	193	496	-	689	260
Attorney fees	112,573	-	-	112,573	283,833
Miscellaneous	-	-	-	-	2,318
Change in value of investments held at Community Foundation, net	(518,783)	-	-	(518,783)	624,746
Total Revenue	<u>(344,963)</u>	<u>496</u>	<u>-</u>	<u>(344,467)</u>	<u>921,001</u>
TOTAL SUPPORT AND REVENUE	<u>18,216,950</u>	<u>1,560,819</u>	<u>(1,650,000)</u>	<u>18,127,769</u>	<u>19,351,521</u>
EXPENSES					
Program Services	<u>16,449,825</u>	<u>-</u>	<u>-</u>	<u>16,449,825</u>	<u>16,554,813</u>
Supporting Services:					
Management and general	2,104,381	16,919	-	2,121,300	1,894,205
Fundraising	386,984	91,554	-	478,538	520,085
Total Supporting Services	<u>2,491,365</u>	<u>108,473</u>	<u>-</u>	<u>2,599,838</u>	<u>2,414,290</u>
TOTAL EXPENSES	<u>18,941,190</u>	<u>108,473</u>	<u>-</u>	<u>19,049,663</u>	<u>18,969,103</u>
CHANGE IN NET ASSETS	(724,240)	1,452,346	(1,650,000)	(921,894)	382,418
NET ASSETS, BEGINNING	11,515,174	926,824	(926,824)	11,515,174	11,132,756
OTHER CHANGES IN NET ASSETS					
Increase in net assets of The Fund for Legal Aid	(197,654)	-	197,654	-	-
Equity transfer to Mid-Minnesota Legal Assistance	<u>-</u>	<u>(1,650,000)</u>	<u>1,650,000</u>	<u>-</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 10,593,280</u>	<u>\$ 729,170</u>	<u>\$ (729,170)</u>	<u>\$ 10,593,280</u>	<u>\$ 11,515,174</u>

See independent auditor's report
on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF GRANT SOURCES
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Federal Assistance	State, County, and Cities	Property, Equipment, and Law Library	Other	Total Without Restrictions	With Restrictions	Total 2022	Total 2021
SUPPORT AND REVENUE								
Governmental Support and Other Grants	\$ 4,165,385	\$ 7,872,939	\$ -	\$ 2,657,512	\$ 14,695,836	\$ 2,490,931	\$ 17,186,767	\$ 17,686,729
Contributions	175	-	-	1,374,971	1,375,146	-	1,375,146	861,068
Training and other events	-	-	-	61,054	61,054	-	61,054	9,844
Attorney fees	52,317	-	-	60,256	112,573	-	112,573	283,833
Miscellaneous	-	-	-	-	-	-	-	-
Interest	-	-	-	193	193	-	193	121
Gain on disposal of equipment	-	-	-	-	-	-	-	2,318
Change in value of investments held at Community Foundation	-	-	-	(199,646)	(199,646)	(319,137)	(518,783)	624,746
TOTAL SUPPORT AND REVENUE	4,217,877	7,872,939	-	3,954,340	16,045,156	2,171,794	18,216,950	19,468,659
EXPENSES								
Personnel salaries	1,648,516	3,160,658	-	(84,153)	4,725,021	910,969	5,635,990	6,173,885
Lawyers	930,037	1,984,231	-	1,332,492	4,246,760	283,666	4,530,426	4,401,188
Non-lawyers	2,578,553	5,144,889	-	1,248,339	8,971,781	1,194,635	10,166,416	10,575,073
Payroll taxes and employee benefits	845,759	1,694,594	-	1,049,157	3,589,510	383,592	3,973,102	3,724,193
Contract services	415,369	351,469	-	1,557,932	2,324,770	372,592	2,697,362	2,338,525
Travel	6,505	25,807	-	10,758	43,070	9,046	52,116	34,398
Space and occupancy	239,740	450,516	-	286,084	976,340	92,950	1,069,290	1,098,309
Office expenses	28,023	44,943	-	68,767	141,733	11,274	153,007	168,243
Equipment rental	16,041	38,335	-	25,525	79,901	7,732	87,633	89,497
Depreciation	-	-	213,058	-	213,058	-	213,058	304,009
Litigation costs	17,212	27,501	-	8,692	53,405	3,686	57,091	94,243
Library maintenance	11,772	29,389	-	7,403	48,564	5,137	53,701	58,219
Other direct expenses	58,903	109,950	-	236,544	405,397	13,017	418,414	303,464
TOTAL EXPENSES	4,217,877	7,917,393	213,058	4,499,201	16,847,529	2,093,661	18,941,190	18,788,173
CHANGE IN NET ASSETS	-	(44,454)	(213,058)	(544,861)	(802,373)	78,133	(724,240)	680,486
NET ASSETS, BEGINNING	-	-	1,496,032	6,036,504	7,532,536	3,982,638	11,515,174	11,132,756
Other Changes in Net Assets:								
Furniture and equipment:								
Acquisitions	-	-	17,016	(17,016)	-	-	-	-
Disposal of equipment	-	-	(320,535)	320,535	-	-	-	-
Transfers to General Fund	-	44,454	-	34,089	78,543	(78,543)	-	-
Decrease in net assets of The Fund for Legal Aid	-	-	-	(197,654)	(197,654)	-	(197,654)	(298,068)
NET ASSETS, ENDING	-	-	\$ 979,455	\$ 5,631,597	\$ 6,611,052	\$ 3,982,228	\$ 10,593,280	\$ 11,515,174

See independent auditor's report on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF FEDERAL ASSISTANCE
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Department of Health and Human Services													Social Security Administration			
	Protection and Advocacy Voting Act	TBI Program	Developmental Disability Protection & Advocacy	GDDC Vaccines	Public Health	DD PRA Access to COVID Vaccines	Mental Health Protection & Advocacy	Metropolitan Council Older Americans	CMCOA Older Americans Act	Region 9 Older Americans Act	MN Council of Churches	LSS Refugee Services	DHS	Assistive Technology Program	MCC-NAV	PABSS	Rep Payee
\$	92,811	\$ 54,050	\$ 504,837	\$ 65,307	\$ 17,751	\$ 19,324	\$ 422,049	\$ 148,422	\$ 148,347	\$ 20,000	\$ 43,699	\$ 44,287	\$ 27,650	\$ 73,241	\$ 36,546	\$ 149,422	\$ 366,703
	-	-	-	-	-	-	-	-	175	-	-	-	-	-	-	-	-
TOTAL SUPPORT AND REVENUE	92,811	54,050	504,837	65,307	17,751	19,324	422,049	148,422	148,322	20,000	43,699	44,287	27,650	73,241	36,546	149,422	366,703
Governmental support	33,265	15,167	215,935	4,941	2,934	8,718	186,996	83,470	72,701	8,872	26,107	14,593	5,025	45,246	5,151	65,967	53,980
Contributions	25,898	20,855	118,923	26,895	9,138	3,644	102,045	16,626	42,059	5,903	7,630	19,333	13,089	1,661	19,944	36,299	180,674
Attorney Fees	59,163	36,022	334,858	31,836	12,072	12,362	289,641	100,096	114,760	14,775	33,737	33,946	18,114	46,907	25,095	102,266	234,654
Payroll taxes and employee benefits	20,305	13,360	113,375	14,792	3,698	4,981	92,814	32,672	33,519	5,225	9,962	9,997	7,046	20,546	9,210	30,569	74,759
Contract services	478	297	-	3,721	-	-	-	5,820	-	-	-	-	124	-	-	853	-
Travel	43	338	919	309	192	-	1,976	-	-	-	-	-	-	196	-	187	1,011
Space and occupancy	5,417	2,406	27,250	4,411	1,294	1,139	25,833	9,834	-	-	-	285	1,543	3,273	1,694	8,438	37,552
Office expenses	706	286	2,716	7,937	225	570	2,926	-	-	-	-	59	203	329	229	738	3,264
Equipment rental	410	261	2,597	428	103	123	2,148	-	-	-	-	-	218	290	209	796	2,315
Litigation costs	(11)	286	12,503	-	-	-	314	-	-	-	-	-	-	-	-	42	8
Library maintenance	291	153	1,725	385	101	61	1,525	-	-	-	-	-	75	206	-	569	1,534
Other direct expenses	6,009	641	8,894	1,488	66	88	4,872	-	243	-	-	-	327	1,494	109	4,964	11,606
TOTAL EXPENSES	92,811	54,050	504,837	65,307	17,751	19,324	422,049	148,422	148,322	20,000	43,699	44,287	27,650	73,241	36,546	149,422	366,703
CHANGE IN NET ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, BEGINNING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Changes in Net Assets:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and equipment:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF FEDERAL ASSISTANCE (continued)
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Department of Treasury		Department of Education		Department of Housing and Urban Development				Department of Homeland Security			Department of Justice			Total 2021
	City of Minneapolis CLSRF	MHEA	PAIR Program	Client Assistance Program	CDBG Minneapolis	CDBG City Fair Housing	FHIP Fair Housing	ARP HUD	City of Minneapolis CARES Act	USCIS	VAWA	OIP NORP	Total 2022	Total 2021	
Low Income Tax Clinic															
\$ 100,000	\$ 493,854	\$ 45,491	\$ 253,237	\$ 249,749	\$ 25,218	\$ 20,244	\$ 225,664	\$ 42,956	\$ 212,576	\$ 113,463	\$ 131,267	\$ 17,220	\$ 4,165,385	\$ 5,530,377	
	-	-	-	-	-	-	-	-	-	-	-	-	175	600	
	-	-	52,317	-	-	-	-	-	-	-	-	-	52,317	219,600	
100,000	493,854	45,491	305,554	249,749	25,218	20,244	225,664	42,956	212,576	113,463	131,267	17,220	4,217,877	5,750,577	
65,527	174,771	31,190	162,457	86,735	19,226	13,654	76,057	11,303	48,442	41,864	56,385	11,837	1,648,516	2,144,190	
13,801	52,803	-	48,916	80,862	-	-	20,649	13,938	13,208	28,495	6,129	-	930,037	896,256	
79,328	227,574	31,190	211,373	167,597	19,226	13,654	96,706	25,241	61,650	70,359	62,514	11,837	2,578,553	3,040,446	
20,672	80,312	9,567	63,143	52,320	5,992	4,981	29,996	7,769	24,996	21,414	23,291	4,476	845,759	968,909	
-	141,625	-	7,094	1,924	-	-	80,809	5,727	113,412	15,065	38,420	-	415,369	1,015,139	
-	-	93	336	722	-	-	170	6	-	-	-	7	6,505	5,703	
-	32,456	3,781	14,465	16,472	-	1,305	15,790	3,993	9,507	6,625	4,977	-	239,740	269,840	
-	2,544	388	1,318	2,171	-	83	-	220	554	-	557	-	28,023	61,516	
-	1,669	193	1,405	1,407	-	74	-	-	605	-	790	-	16,041	19,977	
-	1,989	-	378	-	-	472	325	-	472	-	6	900	17,212	39,267	
-	2,096	89	936	1,000	-	79	-	-	588	-	359	-	11,772	14,582	
-	3,589	190	5,106	6,136	-	68	1,868	-	792	-	353	-	58,903	72,822	
100,000	493,854	45,491	305,554	249,749	25,218	20,244	225,664	42,956	212,576	113,463	131,267	17,220	4,217,877	5,508,201	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	242,376	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
														(226,059)	
														(163,317)	

See independent auditor's report on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF STATE AND COUNTY FUNDING
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	LRD State Support	MLSC-LSAC	Supreme Court Filing Fees	Lawyers Trust Account Board (LTAB)	Supreme Court-MN Disability Center	Supreme Court Family Law	Talent LMS	MN Sure
SUPPORT AND REVENUE								
Grants and contracts	\$ 47,284	\$ 578,227	\$ 5,087,517	\$ 749,999	\$ 204,650	\$ 371,920	\$ 4,957	\$ 322,943
TOTAL SUPPORT AND REVENUE	<u>47,284</u>	<u>578,227</u>	<u>5,087,517</u>	<u>749,999</u>	<u>204,650</u>	<u>371,920</u>	<u>4,957</u>	<u>322,943</u>
EXPENSES								
Personnel salaries								
Lawyers	4,882	355,422	2,012,758	285,535	39,685	180,442	-	44,063
Non-lawyers	-	61,954	1,344,111	261,019	73,503	79,609	-	130,508
Total salaries	4,882	417,376	3,356,869	546,554	113,188	260,051	-	174,571
Payroll taxes and employee benefits	1,718	160,851	1,073,407	165,271	36,671	78,903	-	93,264
Contract services	40,684	-	88,791	106	11,892	2,704	4,957	19,092
Travel	-	-	20,261	297	(2)	74	-	5,177
Space and occupancy	-	-	347,239	28,703	18,109	22,506	-	21,989
Office expenses	-	-	33,809	2,540	1,572	2,378	-	4,276
Equipment rental	-	-	29,394	2,257	1,673	2,044	-	2,697
Litigation costs	-	-	27,616	4	(255)	27	-	-
Library maintenance	-	-	24,590	1,865	1,327	1,315	-	-
Other direct expenses	-	-	85,541	2,402	17,586	1,918	-	1,877
TOTAL EXPENSES	<u>47,284</u>	<u>578,227</u>	<u>5,087,517</u>	<u>749,999</u>	<u>201,761</u>	<u>371,920</u>	<u>4,957</u>	<u>322,943</u>
CHANGE IN NET ASSETS	-	-	-	-	2,889	-	-	-
NET ASSETS, BEGINNING	-	-	-	-	-	-	-	-
Other Changes in Net Assets:								
Furniture and equipment:								
Acquisitions	-	-	-	-	-	-	-	-
Transfers to General Fund	-	-	-	-	(2,889)	-	-	-
NET ASSETS, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report
on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF STATE AND COUNTY FUNDING
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

Hennepin County Welfare Advocacy	State of Minnesota SSI G/A	Hennepin County Defending Immigrants	VERA Ramsey County	City of Minneapolis Immigration	State of Minnesota Emergency Man. Asst.	State Safe Harbor	State Minor Youth Act	Total 2022	Total 2021
\$ 17,500	\$ 10,450	\$ 174,500	\$ 7,825	\$ 31,250	\$ 99,495	\$ 104,949	\$ 59,473	\$ 7,872,939	\$ 7,600,523
17,500	10,450	174,500	7,825	31,250	99,495	104,949	59,473	7,872,939	7,600,523
12,828	3,414	32,316	3,626	21,045	36,941	82,580	45,121	3,160,658	2,422,954
-	3,525	2,161	1,526	1,592	23,812	535	376	1,984,231	2,306,340
12,828	6,939	34,477	5,152	22,637	60,753	83,115	45,497	5,144,889	4,729,294
4,672	3,511	11,468	2,031	8,613	18,499	21,739	13,976	1,694,594	1,627,408
-	-	170,127	39	-	13,077	-	-	351,469	426,148
-	-	-	-	-	-	-	-	25,807	15,478
-	-	4,424	380	-	7,166	-	-	450,516	428,294
-	-	312	56	-	-	-	-	44,943	55,499
-	-	244	26	-	-	-	-	38,335	34,854
-	-	66	43	-	-	-	-	27,501	30,559
-	-	265	27	-	-	-	-	29,389	29,036
-	-	460	71	-	-	95	-	109,950	123,899
17,500	10,450	221,843	7,825	31,250	99,495	104,949	59,473	7,917,393	7,500,469
-	-	(47,343)	-	-	-	-	-	(44,454)	100,054
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(2,042)
-	-	47,343	-	-	-	-	-	44,454	(98,012)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report
on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF PPE FUNDING
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	Property, Equipment, and Law Library	Total 2022	Total 2021
SUPPORT AND REVENUE			
Grants and contracts	\$ -	\$ -	\$ -
Contributions	-	-	-
Training & other events	-	-	-
Attorney Fees	-	-	-
Interest	-	-	-
Other Income	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	<hr/> -	<hr/> -	<hr/> -
EXPENSES			
Personnel salaries			
Lawyers	-	-	-
Non-lawyers	-	-	-
	<hr/>	<hr/>	<hr/>
Total salaries	-	-	-
Payroll taxes and employee benefits	-	-	-
Contract services	-	-	-
Travel	-	-	-
Space and occupancy	-	-	-
Office expenses	-	-	-
Equipment rental	-	-	-
Litigation costs	-	-	-
Library maintenance	-	-	-
Depreciation	213,058	213,058	304,009
Other direct expenses	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	<hr/> 213,058	<hr/> 213,058	<hr/> 304,009
CHANGE IN NET ASSETS	(213,058)	(213,058)	(304,009)
NET ASSETS, BEGINNING	1,496,032	1,496,032	1,547,070
Other Changes in Net Assets:			
Furniture and equipment:			
Acquisitions	17,016	17,016	259,477
Disposal of equipment	(320,535)	(320,535)	(6,506)
	<hr/>	<hr/>	<hr/>
NET ASSETS, ENDING	<hr/> \$ 979,455	<hr/> \$ 979,455	<hr/> \$ 1,496,032

See independent auditor's report
on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF OTHER FUNDING
For the Year Ended December 31, 2022

	MN Legal Services Coalition	MLSC LSC	Program Support MLSC LSAP	Bremer WM	McKnight Promise Neighborhood	MSBA	Opportunities Endowment #65483
SUPPORT AND REVENUE							
Grants and contracts	\$ 30,290	\$ 18,526	\$ 440,636	\$ 75,000	\$ 20,000	\$ 6,500	\$ -
Contributions	500	-	-	-	-	-	619,486
Training & other events	60,754	-	-	-	-	-	-
Attorney Fees	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	(199,646)
TOTAL SUPPORT AND REVENUE	<u>91,544</u>	<u>18,526</u>	<u>440,636</u>	<u>75,000</u>	<u>20,000</u>	<u>6,500</u>	<u>419,840</u>
EXPENSES							
Personnel salaries							
Lawyers	-	-	177,833	33,644	14,073	331	-
Non-lawyers	-	12,870	57,100	18,279	-	3,458	-
Total salaries	-	12,870	234,933	51,923	14,073	3,789	-
Payroll taxes and employee benefits	(7,145)	5,656	67,921	20,220	4,726	2,711	-
Contract services	-	-	84,689	153	82	-	-
Travel	-	-	1,446	-	-	-	-
Space and occupancy	-	-	9,430	1,095	769	-	-
Office expenses	15,125	-	6,179	200	165	-	-
Equipment rental	-	-	5,285	801	58	-	-
Litigation costs	-	-	-	-	-	-	-
Library maintenance	-	-	-	196	28	-	-
Other direct expenses	82,979	-	19,012	412	99	-	-
TOTAL EXPENSES	<u>90,959</u>	<u>18,526</u>	<u>428,895</u>	<u>75,000</u>	<u>20,000</u>	<u>6,500</u>	<u>-</u>
CHANGE IN NET ASSETS	585	-	11,741	-	-	-	419,840
NET ASSETS, BEGINNING	(92,191)	-	(11,741)	-	-	-	987,554
Other Changes in Net Assets:							
Furniture and equipment:							
Acquisitions	-	-	-	-	-	-	-
Transfers to General Fund	-	-	-	-	-	-	42,984
NET ASSETS, ENDING	<u>\$ (91,606)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,450,378</u>

See independent auditor's report
on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF OTHER FUNDING (continued)
For the Year Ended December 31, 2022

Wells Fargo Clinic	Children's MLP	Action Now Initiative	General Operations	Total
\$ 20,000	\$ 86,000	\$ 80,000	\$ 1,880,560	\$ 2,657,512
-	-	-	754,985	1,374,971
-	-	-	300	61,054
-	-	-	60,256	60,256
-	-	-	193	193
-	-	-	-	(199,646)
<u>20,000</u>	<u>86,000</u>	<u>80,000</u>	<u>2,696,294</u>	<u>3,954,340</u>
13,475	50,121	11,186	(384,816)	(84,153)
-	-	35,351	1,205,434	1,332,492
13,475	50,121	46,537	820,618	1,248,339
4,119	24,089	16,992	909,868	1,049,157
138	631	13,647	1,458,592	1,557,932
346	1,526	-	7,440	10,758
1,538	7,381	1,238	264,633	286,084
148	568	436	45,946	68,767
72	402	802	18,105	25,525
-	-	-	8,692	8,692
48	509	-	6,622	7,403
116	773	348	132,805	236,544
<u>20,000</u>	<u>86,000</u>	<u>80,000</u>	<u>3,673,321</u>	<u>4,499,201</u>
-	-	-	(977,027)	(544,861)
-	-	-	4,226,058	5,109,680
-	-	-	(17,016)	(17,016)
-	-	-	(8,895)	34,089
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,223,120</u>	<u>\$ 4,581,892</u>

See independent auditor's report
on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF RESTRICTED FUNDS
For the Year Ended December 31, 2022

	Pew Charitable Trust	Mayo Clinic	Endowment Acct #11167 Grant 101	Endowment Acct #11167 Grant 102	FHF - Tenant Outreach	Bush Foundation	Stevens Square Foundation	Morgan Family Foundation	Bremer	OVV SC	Law Students
SUPPORT AND REVENUE											
Grants	\$ 84,944	\$ 85,000	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 53,109	\$ 225,000	\$ 53,495	\$ 37,300
Contributions	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	(295,701)	(23,436)	-	-	-	-	-	-	-
TOTAL SUPPORT AND REVENUE	84,944	85,000	(295,701)	(23,436)	250,000	-	-	53,109	225,000	53,495	37,300
EXPENSES											
Personnel salaries											
Lawyers	7,448	10,417	-	-	110,489	65,333	14,482	25,743	90,879	13,094	-
Non-lawyers	-	-	-	-	15,636	44,854	2,124	144	17,578	-	32,015
Total salaries	7,448	10,417	-	-	126,125	110,187	16,606	25,887	108,457	13,094	32,015
Payroll taxes and employee benefits	3,628	3,198	-	-	34,385	35,630	4,395	8,735	37,852	4,273	3,285
Contract services	-	-	-	-	81,309	234,894	-	-	1,045	82	-
Travel	-	-	-	-	509	-	-	-	-	-	-
Space and occupancy	-	212	-	-	16,613	5,391	-	-	11,619	808	-
Office expenses	-	521	-	-	1,177	648	-	-	1,089	156	-
Equipment rental	-	224	-	-	964	1,067	-	-	977	84	-
Litigation costs	-	-	-	-	430	-	-	-	600	-	-
Library maintenance	-	-	-	-	1,169	477	-	-	451	39	-
Other direct expenses	-	566	-	-	900	438	-	-	1,332	188	-
TOTAL EXPENSES	11,076	15,138	-	-	263,581	388,732	21,001	34,622	163,422	18,724	35,300
CHANGE IN NET ASSETS	73,868	69,862	(295,701)	(23,436)	(13,581)	(388,732)	(21,001)	18,487	61,578	34,771	2,000
NET ASSETS, BEGINNING	-	-	2,565,474	187,347	136,139	388,732	18,959	-	61,676	-	10,000
Other Changes in Net Assets:											
Furniture and equipment:											
Transfers to General Fund	-	-	(74,777)	(5,808)	-	-	2,042	-	-	-	-
NET ASSETS, ENDING	\$ 73,868	\$ 69,862	\$ 2,194,996	\$ 158,103	\$ 122,558	\$ -	\$ -	\$ 18,487	\$ 123,254	\$ 34,771	\$ 12,000

See independent auditor's report on supplementary information

MID-MINNESOTA LEGAL ASSISTANCE
SUPPLEMENTARY SCHEDULE OF RESTRICTED FUNDS (continued)
For the Year Ended December 31, 2022

	Wells Fargo Foundation	Pholad Family Foundation	Impact Fund	BCBS of MN	CentraCare MLP	Cargill Philanthropy	James Binger Center for New Americans	MN Freedom Fund	The Minneapolis Foundation	BCBS Nav. Coalition	Asset Bldg Coalition	Total
\$	500,000	\$ 350,000	\$ -	\$ 120,000	\$ 200,000	\$ 125,000	\$ 50,000	\$ 125,000	\$ -	\$ 150,000	\$ 13,450	\$ 2,490,931
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	(319,137)
500,000	350,000	-	120,000	200,000	125,000	50,000	125,000	-	-	150,000	13,450	2,171,794
85,129	84,793	-	6,791	154,192	85,832	35,268	22,042	11,520	17,699	-	-	910,969
10,264	36,264	-	40,645	4,324	5,654	381	1,077	36,091	36,615	-	-	283,666
95,393	121,057	-	47,436	158,516	91,486	35,649	23,119	47,611	54,314	-	-	1,194,635
32,281	36,141	-	15,200	60,354	42,200	13,861	7,049	19,481	20,463	-	-	383,592
730	8,850	-	-	501	1,152	374	283	15,355	28,017	-	-	372,592
514	302	-	1,645	5,650	346	80	-	-	-	-	-	9,046
9,850	19,427	-	-	5,068	13,866	4,734	3,142	1,143	1,077	-	-	92,950
920	1,583	-	-	816	1,073	362	275	350	2,304	-	-	11,274
757	1,008	-	-	629	749	260	144	433	436	-	-	7,732
608	1,196	-	-	(289)	336	285	520	-	-	-	-	3,686
489	1,166	-	-	251	745	249	101	-	-	-	-	5,137
1,263	2,878	-	-	857	1,110	761	221	627	1,251	625	625	13,017
142,805	193,608	-	64,281	232,353	153,063	56,615	34,854	85,000	107,862	625	625	2,093,661
357,195	156,392	-	55,719	(32,353)	(28,063)	(6,615)	90,146	(85,000)	42,138	12,825	12,825	78,133
99,769	-	12,500	-	81,798	190,627	31,266	-	85,000	85,094	16,725	16,725	3,982,638
-	-	-	-	-	-	-	-	-	-	-	-	(78,543)
\$ 456,964	\$ 156,392	\$ 12,500	\$ 55,719	\$ 49,445	\$ 162,564	\$ 24,651	\$ 90,146	\$ -	\$ 127,232	\$ 29,550	\$ 29,550	\$ 3,982,228

See independent auditor's report on supplementary information



Harrington Langer & Associates
Certified Public Accountants
563 Phalen Boulevard, St. Paul, MN 55130
651-481-1128 Phone | 651-481-0982 Fax
www.hlaccountants.com

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Mid-Minnesota Legal Assistance
Minneapolis, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Mid-Minnesota Legal Assistance (including its subsidiary, The Fund for Legal Aid) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 10, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Mid-Minnesota Legal Assistance’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Minnesota Legal Assistance’s internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-Minnesota Legal Assistance’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mid-Minnesota Legal Assistance's consolidated 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Harrington Langer & Associates

March 10, 2023



Harrington Langer & Associates
Certified Public Accountants
563 Phalen Boulevard, St. Paul, MN 55130
651-481-1128 Phone | 651-481-0982 Fax
www.hlaccountants.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Mid-Minnesota Legal Assistance
Minneapolis, Minnesota

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance's major federal programs for the year ended December 31, 2022. Mid-Minnesota Legal Assistance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID-19 21.027 Coronavirus State & Local Fiscal Recovery Funds Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Mid-Minnesota Legal Assistance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Mid-Minnesota Legal Assistance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Mid-Minnesota Legal Assistance 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Mid-Minnesota Legal Assistance's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on COVID-19 21.027 Coronavirus State & Local Fiscal Recovery Funds Program

As described in the accompanying schedule of findings and questioned costs, Mid-Minnesota Legal Assistance did not comply with requirements regarding the Coronavirus State & Local Fiscal Recovery Funds Program as described in finding number 2022-001 for Subrecipient Monitoring.

Compliance with such requirements is necessary, in our opinion, for Mid-Minnesota Legal Assistance to comply with the requirements applicable to the program.

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 Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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 Mid-Minnesota Legal Assistance's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance'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.

Government Auditing Standards requires the auditor to perform limited procedures on Mid-Minnesota Legal Assistance's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Mid-Minnesota Legal Assistance's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Mid-Minnesota Legal Assistance's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Mid-Minnesota Legal Assistance's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Hamington Langer & Associates

March 10, 2023

MID-MINNESOTA LEGAL ASSISTANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Subrecipients	Expenditures
U.S. Department of Health and Human Services				
Mental Health - Protection and Advocacy	93.138	6X98SM085956-01	\$	\$ 422,049
Subtotal Mental Health - Protection and Advocacy				<u>422,049</u>
Developmental Disabilities - Protection and Advocacy	93.630	2201MNPADD		476,884
		2301MNPADD		27,953
COVID-19-Expanding P&As Access to Covid 19 Vaccines		2101MNPAC5-00		19,324
		2101MNSCC5-00		65,307
		2201MNPAPH-00		17,751
Subtotal Developmental Disabilities - Protection and Advocacy				<u>607,219</u>
Voting Act - Protection and Advocacy	93.618	2101MNPAVA-00		51,188
		2201MNPAVA-00		41,623
Subtotal Voting Act - Protection and Advocacy				<u>92,811</u>
Aging Cluster				
Special Programs for the Aging - Title IIIB	93.044			
State Board on Aging passed through from:				
Metropolitan Area Agency on Aging		311-23-003B-36	5,600	148,422
Central MN Council on Aging		315-22-003B-001		148,522
Region 9-passed through from Southern Minnesota Regional				
Legal Services		Unknown		20,000
Subtotal Aging Cluster			<u>5,600</u>	<u>316,944</u>
Refugee and Entrant Assistance-State Administered Programs	93.566			
Passed through from:				
Minnesota Department of Human Services		GRK%166891		17,904
Minnesota Department of Human Services		GRK%166891		25,795
Minnesota Department of Human Services		Unknown		36,546
MN Department of Human Services-Health Insurance Assistance		Unknown		27,650
Lutheran Social Services		Unknown		13,047
Lutheran Social Services		Unknown		31,240
Subtotal Refugee and Entrant Assistance Programs				<u>152,182</u>
Assistive Technology Protection and Advocacy	93.843	2201MNPAAT-02		49,825
		2301MNPAAT-02		23,416
Subtotal Assistive Technology Protection and Advocacy				<u>73,241</u>
Traumatic Brain Injury - Protection and Advocacy	93.873	2101MNPATB-00		34,442
		2201MNPATB-00		19,608
Subtotal Traumatic Brain Injury - Protection and Advocacy				<u>54,050</u>
Total U.S. Department of Health and Human Services			<u>5,600</u>	<u>1,718,496</u>

See accompanying notes to schedule
of expenditures of federal awards

MID-MINNESOTA LEGAL ASSISTANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Subrecipients	Expenditures
U.S. Department of Education				
Client Assistance Program	84.161A	H161A210024		19,146
		H161A220024		187,164
		H161A220024		43,439
Subtotal Client Assistance Program				<u>249,749</u>
Protection & Advocacy of Individual Rights	84.240A	H240A220024		154,754
		Attorney Fees		52,317
		H240A210024		98,483
Subtotal Protection & Advocacy of Individual Rights				<u>305,554</u>
Total U.S. Department of Education				<u>555,303</u>
U.S. Social Security Administration				
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	96.009			
Protection and Advocacy for Beneficiaries of Social Security		6 PAB1902033804		144,129
Protection and Advocacy for Beneficiaries of Social Security		6 PAB1902033805		5,293
Strengthening Protections for Social Security Beneficiaries		SPS18000029-04-00		185,136
Strengthening Protections for Social Security Beneficiaries		SPS18000029-05-00		181,567
Subtotal Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries				<u>516,125</u>
Total U.S. Social Security Administration				<u>516,125</u>
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants	14.218			
Pass-through from City of Minneapolis		COM0003896		25,218
Pass-through from City of Minneapolis		COM0003042-1		13,829
Pass-through from City of Minneapolis		COM0003042-1		6,415
COVID-19 CARES Act Pass-through from City of Minneapolis		COM0002935	112,833	212,576
Subtotal CDBG - Entitlement Grants Cluster			<u>112,833</u>	<u>258,038</u>
Private Enforcement Initiatives	14.418			
Fair Housing Initiative Program		FPEI190055 #2	36,051	114,801
Fair Housing Initiative Program		FPEI190055 #3	44,593	110,863
COVID-19 Private Enforcement Initiatives American Rescue Plan		FPE2122026	5,727	42,956
Subtotal Private Enforcement Initiatives			<u>86,371</u>	<u>268,620</u>
Total U.S. Department of Housing and Urban Development			<u>199,204</u>	<u>526,658</u>

See accompanying notes to schedule of expenditures of federal awards

MID-MINNESOTA LEGAL ASSISTANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Subrecipients	Expenditures
U.S. Department of Justice				
Legal Assistance for Victims Program	16.524	2019-WL-AX-0039	37,842	131,267
	16.U01	DJJ-17-PSS-S-2757		17,220
Total U.S. Department of Justice			<u>37,842</u>	<u>148,487</u>
U.S. Department of Treasury				
Low Income Tax Clinic	21.008	20-LITC0407-03-00		100,000
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027			
Pass-through from City of Minneapolis		COM0005488	138,787	493,854
COVID-19 Emergency Rental Assistance Program	21.023			
Pass-through from Minnesota Finance Housing Agency		Unknown		45,491
Total U.S. Department of Treasury			<u>138,787</u>	<u>639,345</u>
U.S. Department of Homeland Security				
Citizenship Education and Training	97.010			
Pass-through from Pearl Crisis Center		311-21-003B-36	15,065	113,463
Total Expenditures of Federal Awards			<u>\$ 396,498</u>	<u>\$ 4,217,877</u>

See accompanying notes to schedule of expenditures of federal awards

MID-MINNESOTA LEGAL ASSISTANCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Mid-Minnesota Legal Assistance under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Mid-Minnesota Legal Assistance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mid-Minnesota Legal Assistance.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Mid-Minnesota Legal Assistance has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

MID-MINNESOTA LEGAL ASSISTANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X yes ___ no

Significant deficiency(ies) identified? ___ yes X none reported

Type of auditor’s report issued on compliance for major programs: Qualified

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

Major programs:

<u>Assistance Listing Number(s):</u>	<u>Name of Federal Program or Cluster:</u>
COVID-19 21.027	Coronavirus State & Local Fiscal Recovery Funds
14.218/14.225	CDBG – Entitlement Grants Cluster
93.044/93.045/93.053	Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes ___ no

MID-MINNESOTA LEGAL ASSISTANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Section II—Financial Statement Audit Findings

No matters were reported.

Section III—Findings and Questioned Costs-Major Federal Award Programs Audit

U.S. Department of Treasury

2022-001 COVID-19 21.027 Coronavirus State & Local Fiscal Recovery Funds Program Subrecipient Monitoring

Criteria: Title 2 U.S. Code of Federal Regulations § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Also, the auditee must comply with the requirements for pass-through entities as identified in Title 2 U.S. Code of Federal Regulations § 200.331, such as clearly identify the award to the subrecipient, including the assistance listing number; monitor the activities of the subrecipient; and verify the subrecipient is audited, as required.

Condition and Perspective Information: The Organization passed federal Coronavirus State & Local Fiscal Recovery Funds program funding to subrecipients, including other nonprofit organizations. During our testing, we noted that the Organization’s subrecipient agreements did not clearly identify the award’s federal funding information, including assistance listing number. In addition, the subrecipient did not monitor the activities of the subrecipient as required in the contract by reviewing supporting documentation for billing invoices prior to releasing payments to the subrecipient. A copy of the subrecipient agreement was obtained for the Organization’s subcontractor of the federal grant program. All subcontractor invoices were tested as part of the test of disbursements.

Cause: The Organization informed us that failing to include the federal award information in the agreement was an oversight. Their understanding was that the subrecipient knew that the funding originated from the federal funds. Due to the transition of the Controller position at the beginning of the contract, the new controller was not aware of the requirement to review the supporting documentation prior to payment and based on the long-term working relationship with the subrecipient, believed that they understood the requirements and would be able to provide appropriate supporting documentation if requested by the grantee.

Effect: The Organization was not meeting federal requirements pertaining to subrecipient monitoring. Without performing monitoring procedures, the Organization cannot be assured that its subrecipients are in compliance with federal requirements.

Questioned Costs: None.

Repeated Finding: No.

MID-MINNESOTA LEGAL ASSISTANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Recommendation: We recommend the Organization take the necessary steps to ensure that all agreements with subrecipients include all of the required federal funding information. In addition, the Organization should review all subrecipient agreements to ensure that requirements placed on the subrecipient are being monitored.

Views of responsible officials and Planned Corrective Actions: The Organization agrees with the finding. The Organization will ensure that the appropriate federal award information is included in all subrecipient agreements. The Organization has taken steps to immediately request supporting documentation for all invoices that have been paid and will take steps to ensure that payments for future invoices are not released until the required supporting documentation has been received and reviewed. In addition, the Organization will review all current and future subrecipient agreements to ensure that they understand all monitoring procedures that are required are understood and being performed.

Section IV—Prior Year Findings and Questioned Costs

No matters were reported.

MID-MINNESOTA LEGAL ASSISTANCE
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2022

Finding Number: 2022-001

Finding Title: Subrecipient Monitoring

Program: COVID-19 21.027 Coronavirus State & Local Fiscal Recovery Funds

Name of Contact Person Responsible for Corrective Action:

Taofeek Ishola, Controller

Corrective Action Planned:

The Organization will ensure that the appropriate federal award information is included in all subrecipient agreements. The Organization has taken steps to immediately request supporting documentation for all invoices that have been paid and will take steps to ensure that payments for future invoices are not released until the required supporting documentation has been received and reviewed. In addition, the Organization will review all current and future subrecipient agreements to ensure that they understand all monitoring procedures that are required are understood and being performed.

Anticipated Completion Date:

These procedures will be implemented immediately.