



***FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT***

***YEARS ENDED AUGUST 31, 2024 AND 2023***

LEGAL OUTREACH, INC.  
Years Ended August 31, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Legal Outreach, Inc.  
Long Island City, New York

### **Opinion**

We have audited the accompanying financial statements of Legal Outreach, Inc. which comprise the balance sheets as of August 31, 2024 and 2023, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Outreach, Inc. as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Legal Outreach, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Legal Outreach, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Legal Outreach, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Legal Outreach, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

*Dorfman Abrams Munis, LLC*

Saddle Brook, New Jersey

June 25, 2025

LEGAL OUTREACH, INC.

BALANCE SHEETS

ASSETS

	August 31,	
	2024	2023
Cash and cash equivalents	\$ 5,417,099	\$ 5,857,873
Contributions receivable	223,756	147,557
Grants receivable - ERC	265,114	265,114
Prepaid expenses	9,646	5,618
Property and equipment, net	112,888	127,290
Operating lease right-of-use asset	1,740,016	2,161,126
Security deposit	83,972	83,972
Total assets	<u>\$ 7,852,491</u>	<u>\$ 8,648,550</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 585,310	\$ 514,323
Operating lease obligation	1,807,502	2,211,331
Total liabilities	<u>2,392,812</u>	<u>2,725,654</u>
Net assets:		
Without donor restrictions	5,279,223	5,548,896
With donor restrictions	180,456	374,000
Total net assets	<u>5,459,679</u>	<u>5,922,896</u>
Total liabilities and net assets	<u>\$ 7,852,491</u>	<u>\$ 8,648,550</u>

LEGAL OUTREACH, INC.

STATEMENTS OF ACTIVITIES

	Year ended August 31, 2024			Year ended August 31, 2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating support and revenue:						
Public support:						
Contributions of cash and other financial assets	\$ 1,155,904	\$ 569,879	\$ 1,725,783	\$ 548,942	\$ 1,733,622	\$ 2,282,564
Contributions of nonfinancial assets	439,112		439,112	408,700		408,700
Special events (net of related expenses of \$30,330 in 2024 and \$189,340 in 2023)	598,268		598,268	783,957		783,957
Government grants - Employee Retention Credit		20,000	20,000		265,114	265,114
Government grant	783,423	(783,423)				
Net assets released from restrictions				1,899,736	(1,899,736)	
Total public support	2,976,707	(193,544)	2,783,163	3,641,335	99,000	3,740,335
Revenue:						
Program revenues	43,870		43,870	47,351		47,351
Interest and dividend income	260,453		260,453	174,755		174,755
Rental income	48,064		48,064	53,511		53,511
Total revenue	352,387		352,387	275,617		275,617
Total support and revenue	3,329,094	(193,544)	3,135,550	3,916,952	99,000	4,015,952
Expenses:						
Program services	2,769,581		2,769,581	2,530,868		2,530,868
Supporting services:						
Management and general	388,599		388,599	437,369		437,369
Fundraising and development	424,463		424,463	349,760		349,760
Total supporting services	813,062		813,062	787,129		787,129
Total expenses - before depreciation	3,582,643		3,582,643	3,317,997		3,317,997
Depreciation	16,124		16,124	5,340		5,340
Total operating expenses	3,598,767		3,598,767	3,323,337		3,323,337
Change in net assets from operations	(269,673)	(193,544)	(463,217)	593,615	99,000	692,615
Net assets, beginning of year	5,548,896	374,000	5,922,896	4,955,281	275,000	5,230,281
Net assets, end of year	\$ 5,279,223	\$ 180,456	\$ 5,459,679	\$ 5,548,896	\$ 374,000	\$ 5,922,896

See Notes to Financial Statements.

LEGAL OUTREACH, INC.  
STATEMENTS OF CASH FLOWS

	Year ended August 31,	
	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (463,217)	\$ 692,615
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	16,124	5,340
Bad debt expense	20,600	
Amortization of operating lease right-of-use asset	421,110	402,408
Operating lease obligation	(403,829)	(352,203)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(96,799)	60,710
Grants receivable - ERC		(265,114)
Prepaid expenses	(4,028)	1,978
Increase (decrease) in:		
Accounts payable and accrued expenses	70,987	169,723
Deferred rent payable		(18,257)
Net cash provided (used) by operating activities	<u>(439,052)</u>	<u>697,200</u>
Cash flows from investing activities:		
Property and equipment acquisitions	<u>(1,722)</u>	<u>(115,663)</u>
Net cash used in investing activities	<u>(1,722)</u>	<u>(115,663)</u>
Net change in cash and cash equivalents	(440,774)	581,537
Cash and cash equivalents, beginning of year	<u>5,857,873</u>	<u>5,276,336</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,417,099</u></u>	<u><u>\$ 5,857,873</u></u>

Supplemental Disclosure of Non-Cash Operating Activities

Right-of-use asset acquired from incurring lease obligation	<u><u>\$</u></u>	<u><u>\$ 2,563,534</u></u>
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See Notes to Financial Statements.

LEGAL OUTREACH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended August 31, 2024 and 2023

	Program services		Supporting services				Total supporting services		Total operating expenses	
	2024	2023	Management and general		Fundraising and development		2024	2023	2024	2023
			2024	2023	2024	2023				
Salaries	\$ 1,403,086	\$ 1,222,981	\$ 189,258	\$ 176,627	\$ 264,743	\$ 240,339	\$ 454,001	\$ 416,966	\$ 1,857,087	\$ 1,639,947
Payroll taxes	112,848	105,282	15,222	19,100	21,293	15,923	36,515	35,023	149,363	140,305
Pension	50,869	46,382	6,862	20,984	9,598	17,315	16,460	38,299	67,329	84,681
Employee benefits	126,427	106,199	17,053	19,266	23,857	16,062	40,910	35,328	167,337	141,527
Total salaries and related expenses	1,693,230	1,480,844	228,395	235,977	319,491	289,639	547,886	525,616	2,241,116	2,006,460
Occupancy costs (see Note 7)	494,808	538,448	66,743	65,664	93,364	52,532	160,107	118,196	654,915	656,644
Professional mentorships	283,067	268,512	64,562	121,064			64,562	121,064	283,067	268,512
Professional fees									64,562	121,064
Student stipends	96,399	74,948							96,399	74,948
Awards	64,501	56,853							64,501	56,853
Program support expenses	76,057	44,426							76,057	44,426
Repairs and maintenance	21,726	29,788	2,931	7,943	4,100	1,986	7,031	9,929	28,757	39,717
Insurance	13,669	14,450	1,844	2,621	2,579	2,185	4,423	4,806	18,092	19,256
Communications and equipment	13,482	12,686	1,819	2,302	2,544	1,919	4,363	4,221	17,845	16,907
Office supplies and expenses	11,488	8,902	1,549	1,615	2,167	1,346	3,716	2,961	15,204	11,863
Bad debt expense			20,600				20,600		20,600	
Dues and membership	1,154	1,011	156	183	218	153	374	336	1,528	1,347
Total expenses - before depreciation	2,769,581	2,530,868	388,599	437,369	424,463	349,760	813,062	787,129	3,582,643	3,317,997
Depreciation	12,182	4,007	1,643	727	2,299	606	3,942	1,333	16,124	5,340
Total operating expenses	\$ 2,781,763	\$ 2,534,875	\$ 390,242	\$ 438,096	\$ 426,762	\$ 350,366	\$ 817,004	\$ 788,462	\$ 3,598,767	\$ 3,323,337

See Notes to Financial Statements.



LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2024 and 2023

1. Nature of the Organization

Legal Outreach, Inc. (the Organization), is a college preparatory, pipeline, and leadership development organization that implements law-based educational programs to inspire and prepare middle school, high school, and college students from under resourced communities to strive for academic excellence, higher education, professional careers, and leadership positions within their communities. The Organization is located in Long Island City, New York. The major sources of support are from contributions, grants, and program sponsorships.

Legal Outreach, Inc. is a not-for-profit organization incorporated in 1983, in the State of New York.

2. Summary of significant accounting policies

Basis of presentation

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposit accounts with maturities of three months or less for the purpose of the statement of cash flows.

Contributions and grants receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, unless management deems the discount to be immaterial to the financial statements. All contributions and grants receivable are expected to be collected within one year.

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2024 and 2023

2. Summary of significant accounting policies (continued)

Allowance for doubtful contributions and grants receivable

The Organization determines whether an allowance for uncollectible receivables should be provided, based on management's assessments of the age of the Organization's receivables, current economic conditions and historical experience. As of August 31, 2024 and 2023, the Organization determined that an allowance was not necessary.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to related cost of depreciable assets to operations over the estimated useful lives. The Organization capitalizes property and equipment with useful lives of two years or more and a cost of \$1,500 or more, unless such property and equipment is funded by a grantor, and the grantor retains title to the property and equipment.

Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Furniture and equipment	5 years
Leasehold improvements	10 years

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in the change in net assets. Expenditures for maintenance and repairs are charged to expenses as incurred; replacements and betterments that extend the useful lives are capitalized.

Operating lease - right-of-use asset

The Organization recognizes rights and obligations arising from leases as right-of-use (ROU) assets and lease liabilities in the balance sheet. In accordance with ASU No. 2016-02, Leases. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS

August 31, 2024 and 2023

2. Summary of significant accounting policies (continued)

Revenue and revenue recognition

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

A significant portion of the Organization's revenue is derived from cost-reimbursable federal and city 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. Under the terms of funding agreements with governmental agencies, certain reported expenditures are subject to audit and acceptance by the funding agencies. In the opinion of management, adjustments, if any, resulting from future audits, should not have a material effect on the Organization's financial position or changes in its net assets.

The Organization recognizes revenue from special events when the event takes place. Amounts received prior to the commencement of the event, including deposits, are deferred to the applicable period.

Contributions of nonfinancial assets are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used (see Note 9).

Several volunteers have made significant contributions of their time in furtherance of the Organization's mission. These services were not reflected in the accompanying statement of activities because they do not meet the necessary criteria for recognition under U.S. GAAP.

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort and square footage.

Income taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 presentation.

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2024 and 2023

3. Risks and uncertainties

Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risks consist principally of cash and cash equivalents, grants and contributions receivable. The Organization maintains its cash and cash equivalents in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Concentrations of credit risks with respect to grants and contributions receivable are limited due to the fact that they are from substantial contributors, established foundations, and government agencies.

4. Availability and liquidity

The following represents the Organization's financial assets at August 31, 2024:

Financial assets at year end

Cash and cash equivalents	\$ 5,417,099
Contributions receivable	223,756
Grants receivable - ERC	<u>265,114</u>
Total financial assets	<u>5,905,969</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	180,456
Less net assets with purpose restrictions to be met in less than a year	<u>(180,456)</u>
	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 5,905,969</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,580,000). As part of its liquidity plan, excess cash is maintained in money market accounts. In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including grants, fees for services, and contributions.

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2024 and 2023

5. Grants receivable - Employee Retention Credit

The CARES Act had a provision within for an employee retention credit (ERC), which is a refundable credit against certain employment taxes. The legislation provides for a tax credit of 50% on qualified wages, up to \$10,000 per employee, paid between March 13, 2020 through December 31, 2020. Therefore, the maximum credit that can be claimed by an eligible employer is \$5,000 per employee.

The ERC, as it existed under the CARES Act, was not available to those who received a PPP loan. The Consolidated Appropriations Act of 2021 extended and expanded the availability of the employee retention credit by removing the PPP barrier to allow organizations to qualify retroactively for ERC's as long as the same wages were not used for both PPP forgiveness and the calculation of qualified wages for the ERC. This new legislation amended the employee retention credit to be equal to 70% of qualified wages paid to employees after December 31, 2020 and before September 30, 2021. During calendar year quarters in 2021, a maximum of \$10,000 in qualified wages for each employee per qualifying calendar quarter may be counted in determining the 70% credit. Therefore, the maximum tax credit that can be claimed by an eligible employer is \$7,000 per employee per qualifying calendar quarter of 2021.

The Organization believes it has met the eligibility requirements to claim the credits for the second, third and fourth quarters in calendar year 2020; and first quarter in calendar year 2021; and in accordance with Subtopic 958-605, recognized approximately \$265,114 as government grant income during the years ended August 31, 2023. ERC receivable balance as of August 31, 2024 and 2023 was \$265,114; this amount is reported as grants receivable on the balance sheet. Subsequent to the year end, the Organization received the full amount of the ERC of \$265,114.

Laws and regulations on the CARES Act are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC and it is not possible to determine the impact (if any) this would have upon the Organization. However, in the opinion of management, adjustments, if any, resulting from future audits, should not have a material impact on the Organization's financial position or changes in its net assets.

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2024 and 2023

6. Property and equipment

Property and equipment consisted of the following at August 31:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 98,159	\$ 96,437
Leasehold improvements	<u>3,066,222</u>	<u>3,066,222</u>
	3,164,381	3,162,659
Less accumulated depreciation	<u>3,051,493</u>	<u>3,035,369</u>
	<u>\$ 112,888</u>	<u>\$ 127,290</u>

Depreciation expense for the years ended August 31, 2024 and 2023 was \$16,124 and \$5,340, respectively.

7. Operating lease – right-of-use asset

The Organization's operating lease consist primarily of real estate lease for its office space, which will expire April 2028. The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets over the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the respective lease terms, including renewal periods that are considered reasonably certain. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of August 31:

	<u>2024</u>	<u>2023</u>
Operating lease right-of-use asset	<u>\$ 1,740,016</u>	<u>\$2,161,126</u>
Operating lease obligation	<u>\$ 1,807,502</u>	<u>\$ 2,211,331</u>

The components of operating lease expenses that are included in occupancy on the statement of functional expenses are as follows for the years ended August 31:

	<u>2024</u>	<u>2023</u>
Operating lease cost	<u>\$ 520,817</u>	<u>\$ 520,817</u>

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2024 and 2023

7. Operating lease – right-of-use asset (continued)

The following summarizes the cash flow information related to operating leases for the years ended August 31:

Cash paid for amounts included in the measurement of lease liabilities:

	<u>2024</u>	<u>2023</u>
Operating cash flows for operating leases	<u>\$ 503,535</u>	<u>\$ 488,869</u>

The weighted-average lease term and discount rate applied to calculate lease liabilities as of August 31, 2024 and 2023 are as follows:

Weighted average remaining lease term	44 months	56 months
Weighted average discount rate	5.00%	5.00%

Future maturities of operating lease liabilities are presented in the following table for the fiscal years ending August 31:

2025	\$ 518,641
2026	534,200
2027	550,226
2028	<u>374,083</u>
Total lease payments	1,977,150
Less present value discount	<u>(169,648)</u>
Total lease obligations	<u>\$ 1,807,502</u>

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2024 and 2023

8. Net assets

Net assets were as follows for the years ended August 31:

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$ 5,279,223	\$	\$ 5,279,223	\$ 5,548,896	\$	\$ 5,548,896
Specific purpose:						
SLI and College Bound Program		135,456	135,456		324,000	324,000
Passage of time For periods after August 31		45,000	45,000		50,000	50,000
Total net assets	<u>\$ 5,279,223</u>	<u>\$ 180,456</u>	<u>\$ 5,459,679</u>	<u>\$ 5,548,896</u>	<u>\$ 374,000</u>	<u>\$ 5,922,896</u>

Releases from net assets with donor restrictions are as follows at August 31:

	2024	2023
Satisfaction of purpose restrictions:		
SLI and College Bound Program	\$ 758,423	\$ 1,634,622
Time restriction	25,000	
Employee Retention Credit		265,114
	<u>\$ 783,423</u>	<u>\$ 1,899,736</u>



LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS

August 31, 2024 and 2023

9. Contributions of nonfinancial assets

Donated space, materials, and specialized services have been recognized on the accompanying financial statements. Donated space is valued based on a similar rate comparable to similar spaces in Queens, New York. Facilities were valued at \$78,500 for each of the years ended August 31, 2024 and 2023. Donated facilities are reported in the accompanying financial statements as part of occupancy costs on the statement of functional expenses.

Donated services require professional skills, and would typically be purchased if not provided by donation and are valued based on current rates for similar services. Donated office supplies are recorded at fair value at the date of donation.

As part of the student's professional exposure program, Legal Outreach provides internships and mentorships by licensed attorneys. Mentorships is valued based on current rates for similar services.

For the years ended August 31, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included the following:

	2024			
	Program services	Management and general	Fundraising	Total
Occupancy cost	\$ 78,500	\$	\$	\$ 78,500
Professional mentorships	283,068			283,068
Program support expenses	32,925			32,925
Professional fees		44,619		44,619
Total expenses	394,493	44,619		439,112
In-kind contributions for special event				18,549
	<u>\$ 394,493</u>	<u>\$ 44,619</u>	<u>\$</u>	<u>\$ 457,661</u>
	2023			
	Program services	Management and general	Fundraising	Total
Occupancy cost	\$ 78,750	\$	\$	\$ 78,750
Professional mentorships	268,511			268,511
Professional fees		61,439		61,439
	<u>\$ 347,261</u>	<u>\$ 61,439</u>	<u>\$</u>	<u>\$ 408,700</u>

LEGAL OUTREACH, INC.  
NOTES TO FINANCIAL STATEMENTS

August 31, 2024 and 2023

10. Significant source of support

During the year ended August 31, 2024, the Organization received approximately 10% of its support and revenue income from one foundation. There were no major contributors during the year ended August 31, 2023.

11. Retirement plan

The Organization maintains a 403(b) plan covering all eligible employees as defined in the plan document. The Organization's contribution, up to 15% of each eligible employee's salary as determined by the Board of Directors, is discretionary. Pension plan expenses amounted to \$67,329 and \$84,681 for the years ended August 31, 2024 and 2023, respectively.

12. Employment agreement

On September 1, 2023, the Organization entered into a three-year employment agreement with its Senior Specialist for the term September 2023 through August 2026, which covers salary, benefits, as well as bonus retention and catch up compensation.

13. Subsequent events

Subsequent events have been evaluated through June 25, 2025, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.