



Financial Statements  
December 31, 2017 and 2016  
**"and Justice for all"**

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## Independent Auditor's Report

The Board of Directors  
"and Justice for all"  
Salt Lake City, Utah

### Report on the Financial Statements

We have audited the accompanying financial statements of "and Justice for all", which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of "and Justice for all" as of December 31, 2017 and 2016, 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.

*Eide Bailly LLP*

Salt Lake City, Utah  
June 26, 2018

"and Justice for all"  
 Statements of Financial Position  
 December 31, 2017 and 2016

	2017	2016
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 697,902	\$ 646,080
Certificates of deposit	335,555	333,912
Operating investments	20,814	5,528
Current portion of contributions receivable, net	180,105	43,597
Other receivable - beneficiary organizations	3,662	3,644
Other receivable	3,219	1,577
Total current assets	1,241,257	1,034,338
Contributions receivable, less current portion	127,257	9,749
Property and equipment, net	1,526,626	1,631,104
Other assets	10,239	6,801
	\$ 2,905,379	\$ 2,681,992
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 19,866	\$ 29,550
Tenant prepaid rent	4,184	4,188
Tenant security deposits	14,144	14,144
Campaign allocations payable - beneficiary organizations	365,016	309,961
Total current liabilities	403,210	357,843
Net assets		
Unrestricted		
Board designated - Legal Assistance Programs operating fund	25,000	25,000
Board designated - capital / building	2,060,940	2,159,324
Board designated - Cy Pres	69,367	69,367
Total unrestricted net assets	2,155,307	2,253,691
Temporarily restricted	346,862	70,458
Total net assets	2,502,169	2,324,149
	\$ 2,905,379	\$ 2,681,992

"and Justice for all"  
 Statements of Activities  
 Years Ended December 31, 2017 and 2016

	2017	2016
Unrestricted Net Assets		
Support		
Contributions and grants	\$ 1,808,412	\$ 1,526,226
Special events, less direct cost of benefits to donors of \$28,135 and \$29,201 in 2017 and 2016, respectively	38,729	22,586
Net investment return	2,134	498
Interest income	2,093	1,603
Rental income	215,960	216,020
Total unrestricted support	2,067,328	1,766,933
Net assets released from donor restrictions	153,005	96,309
	2,220,333	1,863,242
Expenses		
Program services		
Legal Assistance Programs	1,888,233	1,482,084
Community Legal Center	200,063	200,373
Southern Utah Community Legal Center	35,535	75,025
Total program services	2,123,831	1,757,482
Supporting services		
Management and general	89,762	47,937
Fundraising	105,124	142,906
Total supporting services	194,886	190,843
Total expenses	2,318,717	1,948,325
Change in unrestricted net assets	(98,384)	(85,083)
Temporarily Restricted Net Assets		
Contributions	429,409	91,001
Net assets released from restrictions	(153,005)	(96,309)
Change in temporarily restricted net assets	276,404	(5,308)
Change in Net Assets	178,020	(90,391)
Net Assets, Beginning of Year	2,324,149	2,414,540
Net Assets, End of Year	\$ 2,502,169	\$ 2,324,149

"and Justice for all"  
Statement of Functional Expenses  
Year Ended December 31, 2017

	Program Services			Total Program Expenses	Supporting Services		Total
	Legal Assistance Programs	Community Legal Center	Southern Utah Community Legal Center		Management and General	Fundraising	
Grants and other assistance							
Annual campaign allocations							
Utah Legal Services	\$ 377,965	\$ -	\$ -	\$ 377,965	\$ -	\$ -	\$ 377,965
Legal Aid Society of Salt Lake	267,280	-	-	267,280	-	-	267,280
Disability Law Center	212,034	-	-	212,034	-	-	212,034
Other organizations	95,253	-	-	95,253	-	-	95,253
Other grants							
Utah Legal Services	516,246	-	32,000	548,246	-	-	548,246
Legal Aid Society of Salt Lake	399,817	-	-	399,817	-	-	399,817
Disability Law Center	15,000	-	-	15,000	-	-	15,000
Total grants and other assistance	1,883,595	-	32,000	1,915,595	-	-	1,915,595
Professional services	-	-	-	-	10,671	-	10,671
Bank charges	-	-	-	-	120	-	120
Depreciation	-	104,478	-	104,478	-	-	104,478
Insurance	-	5,729	-	5,729	1,653	-	7,382
Miscellaneous	-	-	-	-	-	13,728	13,728
Building costs	-	85,129	3,300	88,429	-	-	88,429
Office expense	-	-	-	-	12,223	-	12,223
Payroll and related	4,638	4,727	235	9,600	57,000	91,396	157,996
Printing	-	-	-	-	2,487	-	2,487
Special events	-	-	-	-	-	28,135	28,135
Supplies	-	-	-	-	5,608	-	5,608
	1,888,233	200,063	35,535	2,123,831	89,762	133,259	2,346,852
Less expenses included with revenues on the statement of activities							
Cost of direct benefits to donors	-	-	-	-	-	(28,135)	(28,135)
Total expenses included in the expense section of the statement of activities	\$ 1,888,233	\$ 200,063	\$ 35,535	\$ 2,123,831	\$ 89,762	\$ 105,124	\$ 2,318,717

See Notes to Financial Statements

"and Justice for all"  
Statement of Functional Expenses  
Year Ended December 31, 2016

	Program Services			Supporting Services			
	Legal Assistance Programs	Community Legal Center	Southern Utah Community Legal Center	Total Program Expenses	Management and General	Fundraising	Total
Grants and other assistance							
Annual campaign allocations							
Utah Legal Services	\$ 359,462	\$ -	\$ -	\$ 359,462	\$ -	\$ -	\$ 359,462
Legal Aid Society of Salt Lake	254,196	-	-	254,196	-	-	254,196
Disability Law Center	201,654	-	-	201,654	-	-	201,654
Other organizations	90,590	-	-	90,590	-	-	90,590
Other grants							
Utah Legal Services	340,121	-	51,385	391,506	-	-	391,506
Legal Aid Society of Salt Lake	204,879	-	-	204,879	-	-	204,879
Disability Law Center	22,950	-	11,385	34,335	-	-	34,335
Total grants and other assistance	1,473,852	-	62,770	1,536,622	-	-	1,536,622
Professional services	-	-	-	-	11,117	-	11,117
Bank charges	-	-	-	-	870	-	870
Depreciation	-	104,127	-	104,127	-	-	104,127
Insurance	-	5,729	-	5,729	1,653	-	7,382
Miscellaneous	-	-	-	-	-	18,582	18,582
Building costs	-	86,054	11,880	97,934	-	-	97,934
Office expense	-	-	-	-	7,411	-	7,411
Payroll and related	8,232	4,463	375	13,070	20,177	124,324	157,571
Printing	-	-	-	-	1,462	-	1,462
Special events	-	-	-	-	-	29,201	29,201
Supplies	-	-	-	-	5,247	-	5,247
	1,482,084	200,373	75,025	1,757,482	47,937	172,107	1,977,526
Less expenses included with revenues on the statement of activities							
Cost of direct benefits to donors	-	-	-	-	-	(29,201)	(29,201)
Total expenses included in the expense section of the statement of activities	\$ 1,482,084	\$ 200,373	\$ 75,025	\$ 1,757,482	\$ 47,937	\$ 142,906	\$ 1,948,325

See Notes to Financial Statements

"and Justice for all"  
Statements of Cash Flows  
Years Ended December 31, 2017 and 2016

	2017	2016
Operating Activities		
Change in net assets	\$ 178,020	\$ (90,391)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	104,478	104,127
Realized and unrealized (gain) loss on operating investments	(627)	59
Contributed operating investments	(13,153)	(25,587)
Change in assets and liabilities		
Contributions receivable	(254,016)	5,920
Other receivable - beneficiary organizations	(18)	638
Other receivable	(1,642)	1,509
Other assets	(3,438)	(4,500)
Accounts payable and accrued expenses	(9,684)	14,057
Tenant prepaid rent	(4)	4,188
Campaign allocations payable - beneficiary organizations	55,055	114,083
Net Cash from Operating Activities	54,971	124,103
Investing Activities		
Change in certificates of deposit	(1,643)	(1,086)
Purchases of operating investments	(13,756)	-
Proceeds from sales of operating investments	12,250	20,000
Purchase of property and equipment	-	(4,000)
Net Cash from (used for) Investing Activities	(3,149)	14,914
Net Change in Cash and Cash Equivalents	51,822	139,017
Cash and Cash Equivalents, Beginning of Year	646,080	507,063
Cash and Cash Equivalents, End of Year	\$ 697,902	\$ 646,080
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Contributed operating investments	\$ 13,153	\$ 25,587



## **Note 1 - Principal Activity and Significant Accounting Policies**

“and Justice for all” (AJFA) is a nonprofit corporation organized under the laws of the State of Utah in 1999 by the Disability Law Center (DLC), Legal Aid Society of Salt Lake (LAS), and Utah Legal Services (ULS), (the beneficiary organizations), to increase access to civil legal services for the disadvantaged and those with disabilities throughout Utah.

AJFA is intended to achieve their mission by creating and sustaining resources to support civil legal services; sharing and consolidating resources so that services are delivered in a more efficient manner, thereby enabling the agencies to serve additional clients; and strengthening the individual agencies and the distinct role they play in the delivery of civil legal services.

Consistent with AJFA’s operational purpose, funds raised through the Legal Assistance Programs “Annual Campaign” are to be transferred to the beneficiary organizations as governed by a “Distribution Policy” unless otherwise specified by a donor. Allocations are to be distributed to the beneficiary organizations, ULS, LAS, DLC, and to other organizations as determined by the Board of Directors using agreed upon percentages. During 2017 and 2016, these percentages were 39.68, 28.06, 22.26, and 10.00 percent, respectively. The Board of Directors has designated that unrestricted Legal Assistance Programs operating fund net assets in excess of \$50,000 be distributed to the beneficiary organizations.

### **Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand and highly liquid investments with original maturities of three months or less.

### **Contributions Receivable**

Contributions receivable expected to be collected within one year are recorded at net realizable value. Contributions receivable 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. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable.

### **Property and Equipment**

Property and equipment additions are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

AJFA reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2017 and 2016.

### **Operating Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets available for use in general operations including unrestricted board-designated net assets.

*Temporarily Restricted Net Assets* – Net assets subject to donor restrictions that may or will be met by expenditures or actions of AJFA and/or the passage of time.

AJFA reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from donor restrictions.

*Permanently Restricted Net Assets* – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of AJFA. The restrictions stipulate that resources be maintained permanently but permit expending the income generated in accordance with the provisions of the agreements. At December 31, 2017 and 2016, AJFA has no permanently restricted net assets.

### **Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions receivable are not recognized until the conditions on which they depend have been substantially met. AJFA recognizes rental revenue on a straight-line basis over the terms of the respective leases.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to AJFA's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. AJFA records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ending December 31, 2017 and 2016, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Income Taxes**

AJFA is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). AJFA is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, AJFA is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. AJFA has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

AJFA believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. AJFA would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### **Financial Instruments and Credit Risk**

AJFA manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, AJFA has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of AJFA's mission.

Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

### **Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

### **Subsequent Events**

Management has made an evaluation of subsequent events through June 26, 2018, the date on which the financial statements were available to be issued.

## **Note 2 - Fair Value Measurements and Disclosures**

AJFA reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the AJFA develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the AJFA's assessment of the quality, risk or liquidity profile of the asset or liability.

All of AJFA's investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at December 31, 2017:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments Mutual funds	\$ 20,814	\$ 20,814	\$ -	\$ -
	<u>\$ 20,814</u>	<u>\$ 20,814</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis at December 31, 2016:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments Mutual funds	\$ 5,528	\$ 5,528	\$ -	\$ -
	<u>\$ 5,528</u>	<u>\$ 5,528</u>	<u>\$ -</u>	<u>\$ -</u>

### Note 3 - Net Investment Return

Net investment return consists of the following for the years ended December 31, 2017 and 2016:

	2017	2016
Operating Investments		
Interest and dividends	\$ 1,507	\$ 557
Net realized and unrealized gain (loss)	<u>627</u>	<u>(59)</u>
	<u>\$ 2,134</u>	<u>\$ 498</u>

**Note 4 - Certificates of Deposit**

At December 31, 2017 and 2016, certificates of deposit not considered cash or cash equivalents totaled \$335,555 and \$333,912, respectively. These investments were purchased as a method of diversification and to obtain improved interest earnings on deposits.

**Note 5 - Contributions Receivable**

Contributions receivable are estimated to be collected as follows at December 31, 2017 and 2016:

	2017	2016
Within one year	\$ 181,426	\$ 44,524
In one to five years	127,961	10,251
	309,387	54,775
Less allowance for bad debt	(1,321)	(927)
Less discount to net present value (4%)	(704)	(502)
	\$ 307,362	\$ 53,346

**Note 6 - Property and Equipment**

Property and equipment consists of the following at December 31, 2017 and 2016:

	2017	2016
Land	\$ 150,000	\$ 150,000
Building and improvements	2,757,011	2,757,011
Furniture and equipment	209,698	209,698
	3,116,709	3,116,709
Less accumulated depreciation	(1,590,083)	(1,485,605)
	\$ 1,526,626	\$ 1,631,104

**Note 7 - Campaign Allocations Payable – Beneficiary Organizations**

Campaign allocations payable to beneficiary organizations consist of the following at December 31, 2017 and 2016:

	2017	2016
ULS (annual campaign)	\$ 127,048	\$ 117,954
ULS (Southern Utah Community Legal Center)	19,405	10,885
LAS (annual campaign)	96,652	90,071
DLC (annual campaign)	86,272	66,171
Other	35,639	24,880
	\$ 365,016	\$ 309,961

**Note 8 - Future Minimum Rents**

AJFA currently leases its building to four tenants, three of which are beneficiary organizations. The leases with these four tenants expired during 2012. These leases have not been renewed but are continuing under the same terms on a month-to-month basis.

**Note 9 - Unrestricted Net Assets**

Unrestricted net assets - board designated – Legal Assistance Programs of \$25,000 and \$25,000 at December 31, 2017 and 2016, respectively, represents an amount maintained for AJFA general operations.

Unrestricted net assets - board designated - capital / building totaling \$2,060,940 and \$2,159,324 at December 31, 2017 and 2016, respectively, represents the net assets of the building capital program.

Unrestricted net assets - board designated - Cy Pres totaling \$69,367 and \$69,367 at December 31, 2017 and 2016, respectively, represents an amount that is board designated pending board action as to its ultimate use and disposition.

**Note 10 - Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following:

	2017	2016
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	\$ 34,455	\$ 23,346
Southern Utah Community Legal Center	46,500	47,112
Assisted Pro Se Calendars	149,220	-
Family Law Clinic	21,957	-
Enhanced Services for victims of domestic violence	43,480	-
Enhanced data tracking and outcomes	51,250	-
	\$ 346,862	\$ 70,458

**Note 11 - Related Party Transactions**

As prescribed in AJFA's by-laws, certain members of AJFA's board are required to also be board members or directors of the beneficiary organizations, ULS, LAS and DLC. AJFA engages in significant related party transactions with these three beneficiary organizations by performing fundraising on behalf of and making distributions to the beneficiary organizations (Note 1). During the years ended December 31, 2017 and 2016, AJFA distributed Legal Assistance Programs annual campaign allocations to these entities as described in the statements of functional expenses. AJFA is leasing its building to the beneficiary organizations as further described in Note 8. Rent revenue recorded from the beneficiary organizations totaled \$203,879 and \$203,039 for the years ended December 31, 2017 and 2016, respectively.

During the years ended December 31, 2017 and 2016, AJFA recorded expenses of \$32,000 and \$51,385, respectively, to ULS in connection with the Southern Utah Community Legal Center. AJFA recorded no expense to DLC in connection with Southern Utah Community Legal Center, while in 2016 they recorded an expense of \$11,385.

During the years ended December 31, 2017 and 2016, AJFA made grants to ULS of \$516,246 and \$340,121, respectively principally under grant agreements with the State of Utah as well as other specific donations. During the years ended December 31, 2017 and 2016, AJFA made grants to LAS of \$399,817 and \$204,879, respectively, principally under grant agreements with the State of Utah as well as other specific donations. During the years ended December 31, 2017 and 2016, AJFA made grants to DLC of \$15,000 and \$22,950, respectively, under agreements with donors other than annual campaign allocations.

AJFA shares various expenses, including most notably payroll costs of certain management and staff, with LAS. The sharing of these expenses requires the allocation of costs between AJFA and LAS based on management's estimates.



**Note 12 - Commitments**

During 2007, AJFA entered into a lease agreement for office space to support the Southern Utah Community Legal Center in St. George, Utah. The lease required monthly lease payments of \$1,250 plus expenses for common area maintenance, utilities and property taxes through July 2014, at which time AJFA had the option to extend the lease for an additional year under the same terms. AJFA did not renew this lease, but continues to make monthly payments of \$1,250 plus additional expenses on a month-to-month basis.