



Financial Statements  
December 31, 2019 and 2018  
**"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, 2019 and 2018, 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, 2019 and 2018, 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.

**Restatement and Reissuance**

As discussed in Note 13, subsequent to the issuance of the 2019 financial statements and our report thereon dated July 27, 2020, we became aware that those financial statements incorrectly presented campaign allocations payable. In our original report we expressed an unmodified opinion on the 2019 financial statements, and our opinion on the revised statements, as expressed herein, remains unmodified.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name of the firm.

Eide Bailly, LLP  
Salt Lake City, Utah  
September 2, 2020

"and Justice for all"  
Statements of Financial Position  
December 31, 2019 and 2018

	2019	2018
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 766,636	\$ 709,177
Certificates of deposit	346,537	340,929
Operating investments	29,026	21,315
Current portion of contributions receivable, net	176,271	160,363
Other receivable - beneficiary organizations	4,912	19,626
Other receivable	994	2,325
Total current assets	1,324,376	1,253,735
Contributions receivable, less current portion	20,139	11,136
Property and equipment, net	1,435,622	1,433,157
Other assets	2,097	7,097
	\$ 2,782,234	\$ 2,705,125
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 166,738	\$ 19,279
Tenant prepaid rent	5,969	5,969
Tenant security deposits	14,144	14,144
Campaign allocations payable - beneficiary organizations	394,556	225,289
Total current liabilities	581,407	264,681
Net assets		
Net assets without donor restrictions		
Board designated - Legal Assistance Programs operating fund	25,000	25,000
Board designated - capital / building	1,944,770	2,090,746
Board designated - Cy Pres	69,367	69,367
Total net assets without donor restrictions	2,039,137	2,185,113
Net assets with donor restrictions	161,690	255,331
Total net assets	2,200,827	2,440,444
	\$ 2,782,234	\$ 2,705,125

"and Justice for all"  
 Statements of Activities  
 Years Ended December 31, 2019 and 2018

	2019	2018
Net Assets Without Donor Restrictions		
Support		
Contributions and grants	\$ 1,612,761	\$ 1,300,745
Special events, less direct cost of benefits to donors of \$31,898 and \$31,907 in 2019 and 2018, respectively	186,039	250,622
Net investment return	7,711	500
Interest income	6,169	5,858
Rental income	215,960	215,960
Total support	2,028,640	1,773,685
Net assets released from donor restrictions	228,170	166,930
	2,256,810	1,940,615
Expenses		
Program services		
Legal Assistance Programs	1,973,932	1,459,376
Community Legal Center	195,095	217,372
Southern Utah Community Legal Center	40,208	34,457
Total program services	2,209,235	1,711,205
Supporting services		
Management and general	108,612	93,898
Fundraising	84,939	105,706
Total supporting services	193,552	199,604
Total expenses	2,402,786	1,910,809
Change in net assets without donor restrictions	(145,976)	29,806
Net Assets with Donor Restrictions		
Contributions	134,529	75,399
Net assets released from restrictions	(228,170)	(166,930)
Change in net assets with donor restrictions	(93,641)	(91,531)
Change in Net Assets	(239,617)	(61,725)
Net Assets, Beginning of Year	2,440,444	2,502,169
Net Assets, End of Year	\$ 2,200,827	\$ 2,440,444

"and Justice for all"  
Statement of Functional Expenses  
Year Ended December 31, 2019

	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	\$ 392,889	\$ -	\$ -	\$ 392,889	\$ -	\$ -	\$ 392,889
Legal Aid Society of Salt Lake	277,835	-	-	277,835	-	-	277,835
Disability Law Center	220,406	-	-	220,406	-	-	220,406
Other organizations	99,015	-	-	99,015	-	-	99,015
Other grants							
Utah Legal Services	562,007	-	37,000	599,007	-	-	599,007
Legal Aid Society of Salt Lake	387,679	-	-	387,679	-	-	387,679
Disability Law Center	30,000	-	-	30,000	-	-	30,000
Total grants and other assistance	1,969,831	-	37,000	2,006,831	-	-	2,006,831
Professional services	-	-	-	-	28,248	-	28,248
Bank charges	-	-	-	-	272	-	272
Depreciation	-	100,385	-	100,385	-	-	100,385
Insurance	-	6,010	-	6,010	1,322	-	7,332
Miscellaneous	-	-	-	-	1,264	4,129	5,393
Building costs	-	87,703	3,000	90,703	-	-	90,703
Office expense	-	-	-	-	15,947	-	15,947
Payroll and related	4,101	997	208	5,306	50,407	80,810	136,523
Printing	-	-	-	-	6,140	-	6,140
Special events	-	-	-	-	-	31,898	31,898
Supplies	-	-	-	-	5,012	-	5,012
Total expenses	1,973,932	195,095	40,208	2,209,235	108,612	116,837	2,434,684
Less expenses included with revenues on the statement of activities							
Cost of direct benefits to donors	-	-	-	-	-	(31,898)	(31,898)
Total expenses included in the expense section of the statement of activities	\$ 1,973,932	\$ 195,095	\$ 40,208	\$ 2,209,235	\$ 108,612	\$ 84,939	\$ 2,402,786

See Notes to Financial Statements

"and Justice for all"  
Statement of Functional Expenses  
Year Ended December 31, 2018

	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	\$ 278,997	\$ -	\$ -	\$ 278,997	\$ -	\$ -	\$ 278,997
Legal Aid Society of Salt Lake	197,295	-	-	197,295	-	-	197,295
Disability Law Center	156,514	-	-	156,514	-	-	156,514
Other organizations	70,312	-	-	70,312	-	-	70,312
Other grants							
Utah Legal Services	432,995	-	32,000	464,995	-	-	464,995
Legal Aid Society of Salt Lake	319,166	-	-	319,166	-	-	319,166
Disability Law Center	-	-	-	-	-	-	-
Total grants and other assistance	1,455,279	-	32,000	1,487,279	-	-	1,487,279
Professional services	-	-	-	-	25,125	-	25,125
Bank charges	-	-	-	-	82	-	82
Depreciation	-	104,743	-	104,743	-	-	104,743
Insurance	-	5,729	-	5,729	1,322	-	7,051
Miscellaneous	-	-	-	-	467	11,541	12,008
Building costs	-	102,304	2,250	104,554	-	-	104,554
Office expense	-	-	-	-	6,834	-	6,834
Payroll and related	4,097	4,596	207	8,900	50,356	94,165	153,421
Printing	-	-	-	-	3,461	-	3,461
Special events	-	-	-	-	-	31,907	31,907
Supplies	-	-	-	-	6,251	-	6,251
Total expenses	1,459,376	217,372	34,457	1,711,205	93,898	137,613	1,942,716
Less expenses included with revenues on the statement of activities							
Cost of direct benefits to donors	-	-	-	-	-	(31,907)	(31,907)
Total expenses included in the expense section of the statement of activities	\$ 1,459,376	\$ 217,372	\$ 34,457	\$ 1,711,205	\$ 93,898	\$ 105,706	\$ 1,910,809

See Notes to Financial Statements



"and Justice for all"  
 Statements of Cash Flows  
 Years Ended December 31, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ (239,617)	\$ (61,725)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	100,385	104,743
Realized and unrealized (gain) loss on operating investments	(6,774)	380
Change in assets and liabilities		
Contributions receivable	(24,911)	135,863
Other receivable - beneficiary organizations	14,714	(15,964)
Other receivable	1,331	894
Other assets	5,000	3,142
Accounts payable and accrued expenses	147,459	(587)
Tenant prepaid rent	-	1,785
Campaign allocations payable - beneficiary organizations	169,267	(139,727)
Net Cash from Operating Activities	166,854	28,804
Investing Activities		
Change in certificates of deposit	(5,608)	(5,374)
Purchases of operating investments	(937)	(1,155)
Proceeds from sales of operating investments	-	274
Purchase of property and equipment	(102,850)	(11,274)
Net Cash used for Investing Activities	(109,395)	(17,529)
Net Change in Cash and Cash Equivalents	57,459	11,275
Cash and Cash Equivalents, Beginning of Year	709,177	697,902
Cash and Cash Equivalents, End of Year	\$ 766,636	\$ 709,177

## **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 2019 and 2018, these percentages were 39.68%, 28.06%, 22.26%, and 10.00%, 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, 2019 and 2018.

### **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 external and direct internal investment expenses.

### **Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

AJFA reports contributions restricted by donors as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### **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, a contribution receivable, 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, 2019 and 2018, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements 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. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, building costs, insurance, printing, special events, bank charges, supplies and other, which are allocated on the basis of estimates of time and effort.

### **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 organization.

### Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 530,724	\$ 235,633
Contributions receivable	69,259	29,148
Other receivables	5,906	21,951
	\$ 605,889	\$ 286,732

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. Additionally, the board of directors has designated the entity's certificates of deposits and operating investments for building reserves and accordingly, these assets are not reflected in the table above but could be repurposed by the board of directors.

### **Note 3 - 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, 2019:

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	\$ 29,026	\$ 29,026	\$ -	\$ -
	<u>\$ 29,026</u>	<u>\$ 29,026</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis at December 31, 2018:

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	\$ 21,315	\$ 21,315	\$ -	\$ -
	<u>\$ 21,315</u>	<u>\$ 21,315</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 4 - Certificates of Deposit**

At December 31, 2019 and 2018, certificates of deposit not considered cash or cash equivalents totaled \$346,537 and \$340,929, 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Within one year	\$ 176,756	\$ 161,719
In one to five years	<u>20,257</u>	<u>11,600</u>
	197,013	173,319
Less allowance for bad debt	(485)	(1,356)
Less discount to net present value (4%)	<u>(118)</u>	<u>(464)</u>
	<u>\$ 196,410</u>	<u>\$ 171,499</u>

**Note 6 - Property and Equipment**

Property and equipment consists of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 150,000	\$ 150,000
Building and improvements	2,863,785	2,768,285
Furniture and equipment	<u>214,808</u>	<u>209,698</u>
	3,228,593	3,127,983
Less accumulated depreciation	<u>(1,792,971)</u>	<u>(1,694,826)</u>
	<u>\$ 1,435,622</u>	<u>\$ 1,433,157</u>

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

Campaign allocations payable to beneficiary organizations consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
ULS (annual campaign)	\$ 110,490	\$ 73,380
ULS (Southern Utah Community Legal Center)	67,735	21,253
LAS (annual campaign)	84,482	53,140
DLC (annual campaign)	76,984	41,166
Other	<u>54,865</u>	<u>36,350</u>
	<u>\$ 394,556</u>	<u>\$ 225,289</u>



**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 - Net Assets without Donor Restrictions**

Net assets without donor restrictions - board designated – Legal Assistance Programs of \$25,000 and \$25,000 at December 31, 2019 and 2018, respectively, represents an amount maintained for AJFA general operations.

Net assets without donor restrictions - board designated - capital / building totaling \$1,944,770 and \$2,090,746 at December 31, 2019 and 2018, respectively, represents the net assets of the building capital program.

Net assets without donor restrictions - board designated - Cy Pres totaling \$69,367 and \$69,367 at December 31, 2019 and 2018, respectively, represents an amount that is board designated pending board action as to its ultimate use and disposition.

**Note 10 - Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following:

	2019	2018
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	\$ 26,579	\$ 29,148
Consulting	45,847	18,082
Southern Utah Community Legal Center	46,500	46,500
Assisted Pro Se Calendars	-	76,783
Family Law Clinic	-	11,298
Enhanced services for victims of domestic violence	-	22,270
Enhanced data tracking and outcomes	42,764	51,250
	\$ 161,690	\$ 255,331

### **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, 2019 and 2018, 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 for both years ended December 31, 2019 and 2018, respectively.

During the years ended December 31, 2019 and 2018, AJFA recorded expenses of \$40,000 and \$34,250, respectively, to ULS in connection with the Southern Utah Community Legal Center.

During the years ended December 31, 2019 and 2018, AJFA made grants to ULS of \$562,007 and \$432,995, respectively, principally under grant agreements with the State of Utah as well as other specific donations. During the years ended December 31, 2019 and 2018, AJFA made grants to LAS of \$387,679 and \$319,166, respectively, principally under grant agreements with the State of Utah as well as other specific donations. During the years ended December 31, 2019 and 2018, AJFA made grants to DLC of \$30,000 and \$0, respectively, under agreements with donors other than annual campaign allocations.

During the years ended December 31, 2019 and 2018, AJFA had contributions receivable of \$37,000 and \$32,000 from the Utah Bar Foundation for payment to Southern Utah Community Legal Center (SUCLC). These funds will be disbursed to ULS and ULS will provide these funds to SUCLC.

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.

**Note 13 - Restatement Resulting from Correction of Error**

Subsequent to the issuance of AJFA's 2019 financial statements, AJFA became aware of an error relating to campaign allocations payable. Following is a summary of the effects of the change in AJFA's December 31, 2019, financial statements as previously issued.

	As Previously Reported	Adjustment	As Restated
<i>Statement of Financial Position</i>			
Cash and cash equivalents	\$ 766,535	\$ 101	\$ 766,636
Total current assets	1,324,275	101	1,324,376
Total assets	2,782,133	101	2,782,234
Campaign allocations payable - beneficiary organizations	517,588	(123,032)	394,556
Total current liabilities	704,439	(123,032)	581,407
Net assets - board designated - capital / building	1,821,637	123,133	1,944,770
Total net assets without donor restrictions	1,916,004	123,133	2,039,137
Total net assets	2,077,694	123,133	2,200,827
Total liabilities and net assets	2,782,133	101	2,782,234
<i>Statement of Activities</i>			
Net Assets Without Donor Restrictions			
Contributions and grants	\$ 1,632,961	\$ (20,200)	\$ 1,612,761
Total support	2,048,840	(20,200)	2,028,640
Net assets released from restrictions	228,170	-	228,170
Expenses - legal assistance programs	2,118,217	(144,285)	1,973,932
Total program services	2,353,520	(144,285)	2,209,235
Expenses - management and general	107,660	952	108,612
Total supporting services	192,600	952	193,552
Total expenses	2,546,119	(143,333)	2,402,786
Change in net assets without donor restrictions	(269,109)	123,133	(145,976)
Change in net assets	(362,750)	123,133	(239,617)
Net assets, end of year	2,077,694	123,133	2,200,827
<i>Statement of Functional Expenses</i>			
Annual campaign allocations			
Utah Legal Services	\$ 450,142	\$ (57,253)	\$ 392,889
Legal Aid Society of Salt Lake	318,321	(40,486)	277,835
Disability Law Center	252,524	(32,118)	220,406
Other organizations	113,443	(14,428)	99,015
Total grants and other assistance	2,151,116	(144,285)	2,006,831
Office expense	16,048	(101)	15,947
Total expenses	2,578,017	(143,333)	2,434,684
Total expenses included in the expense section of the statement of activities	2,546,119	(143,333)	2,402,786
<i>Statement of Cash Flows</i>			
Change in net assets	\$ (326,750)	\$ (578,865)	\$ (239,617)
Campaign allocations payable - beneficiary organizations	292,299	(123,032)	169,267
Net Cash from Operating Activities	166,753	101	166,854
Net Change in Cash and Cash Equivalents	57,358	101	57,459
Cash and Cash Equivalents, End of Year	766,535	101	\$ 766,636

**Note 14 - Subsequent Events**

Subsequent to year-end, AJFA has been impacted by the effects of the world-wide coronavirus pandemic. AJFA is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to AJFA's financial position is unknown.

Management has made an evaluation of subsequent events through September 2, 2020, the date on which the financial statements were available to be issued.