

Regional Housing Legal Services

Financial Statements and
Supplementary Information

Years Ended June 30, 2024 and 2023
with Independent Auditor's Reports

MaherDuessel

A horizontal bar is positioned below the company name, consisting of a black segment on the left and a blue segment on the right.

REGIONAL HOUSING LEGAL SERVICES

YEARS ENDED JUNE 30, 2024 AND 2023

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Independent Auditor's Report

**Board of Directors
Regional Housing Legal Services**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Regional Housing Legal Services (RHLS), which comprise the statements of financial position as of June 30, 2024, and 2023, and the related statements of activities, functional expenses, and cash flows 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 the RHLS as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RHLS, 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.

Auditor's Updated Opinion on June 30, 2023 Financial Statements

In our report dated October 10, 2023, we expressed an opinion that the June 30, 2023 financial statements did not fairly present the financial position, change in net assets, and cash flows in accordance with accounting principles generally accepted in the United States of America because RHLS had not recorded the assets, liabilities and investment income related to its deferred compensation plan. As described in Note 2, RHLS has changed its method of accounting for that item and has restated its June 30, 2023 financial statements to conform with accounting principles generally accepted in the United States of America. Accordingly, our present opinion on the June 30, 2023 financial statements, as presented herein, is different from that expressed in our previous report.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the RHLS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the RHLS's internal control over financial reporting and compliance.

Maher Duessel

Harrisburg, Pennsylvania
October 8, 2024

REGIONAL HOUSING LEGAL SERVICES

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023 Restated
Assets		
Cash and cash equivalents	\$ 1,251,776	\$ 1,194,295
Accounts receivable:		
Pennsylvania Legal Aid Network	155,258	59,729
Commonwealth Housing Legal Services	-	363,375
Other receivables	323,113	132,561
Prepaid expenses	80,096	69,953
Investments held for others	479,198	432,115
Right-of-use asset	126,399	210,213
Total Assets	\$ 2,415,840	\$ 2,462,241
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 8,907	\$ 87,869
Refundable advance	468,775	502,289
Deferred compensation obligations	479,198	432,115
Lease liability	132,180	217,413
Total Liabilities	<u>1,089,060</u>	<u>1,239,686</u>
Net Assets:		
Without donor restrictions	1,326,780	1,222,555
With donor restrictions	-	-
Total Net Assets	<u>1,326,780</u>	<u>1,222,555</u>
Total Liabilities and Net Assets	\$ 2,415,840	\$ 2,462,241

The accompanying notes are an integral part of these financial statements.

REGIONAL HOUSING LEGAL SERVICES

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	2024						
	Without Donor Restrictions			With Donor Restrictions			
	Housing and Community Development	Pennsylvania Utility Law Project	Total	Housing and Community Development	Pennsylvania Utility Law Project	Total	Total
Revenue and Support:							
Contracts and grants	\$ 2,731,161	\$ 1,164,217	\$ 3,895,378	\$ -	\$ -	\$ -	\$ 3,895,378
Contributions	152,084	1,914	153,998	-	-	-	153,998
Contributions of nonfinancial assets	324,324	42,449	366,773	-	-	-	366,773
Interest income	29,736	10,012	39,748	-	-	-	39,748
Gain on investments held for others	36,432	-	36,432	-	-	-	36,432
Other revenue	6,787	-	6,787	-	-	-	6,787
Subtotal	3,280,524	1,218,592	4,499,116	-	-	-	4,499,116
Net assets released from restrictions	-	-	-	-	-	-	-
Total revenue and support	3,280,524	1,218,592	4,499,116	-	-	-	4,499,116
Expenses:							
Program services	2,857,674	1,016,685	3,874,359	-	-	-	3,874,359
Management and general	312,484	147,478	459,962	-	-	-	459,962
Fundraising	54,139	6,431	60,570	-	-	-	60,570
Total expenses	3,224,297	1,170,594	4,394,891	-	-	-	4,394,891
Change in Net Assets	56,227	47,998	104,225	-	-	-	104,225
Net Assets:							
Beginning of year	801,600	420,955	1,222,555	-	-	-	1,222,555
End of year	\$ 857,827	\$ 468,953	\$ 1,326,780	\$ -	\$ -	\$ -	\$ 1,326,780

The accompanying notes are an integral part of these financial statements.

REGIONAL HOUSING LEGAL SERVICES

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	2023 restated						
	Without Donor Restrictions			With Donor Restrictions			
	Housing and Community Development	Pennsylvania Utility Law Project	Total	Housing and Community Development	Pennsylvania Utility Law Project	Total	Total
Revenue and Support:							
Contracts and grants	\$ 2,796,835	\$ 1,120,071	\$ 3,916,906	\$ -	\$ -	\$ -	\$ 3,916,906
Contributions	126,179	11,204	137,383	-	-	-	137,383
Contributions of nonfinancial assets	203,326	24,013	227,339	-	-	-	227,339
Gain on investments held for others	27,632	-	27,632	-	-	-	27,632
Interest income	2,908	50	2,958	-	-	-	2,958
Other revenue	639	-	639	-	-	-	639
Subtotal	3,157,519	1,155,338	4,312,857	-	-	-	4,312,857
Net assets released from restrictions	-	-	-	-	-	-	-
Total revenue and support	3,157,519	1,155,338	4,312,857	-	-	-	4,312,857
Expenses:							
Program services	2,813,961	917,987	3,731,948	-	-	-	3,731,948
Management and general	279,834	137,001	416,835	-	-	-	416,835
Fundraising	63,724	6,830	70,554	-	-	-	70,554
Total expenses	3,157,519	1,061,818	4,219,337	-	-	-	4,219,337
Change in Net Assets	-	93,520	93,520	-	-	-	93,520
Net Assets:							
Beginning of year	801,600	327,435	1,129,035	-	-	-	1,129,035
End of year	\$ 801,600	\$ 420,955	\$ 1,222,555	\$ -	\$ -	\$ -	\$ 1,222,555

The accompanying notes are an integral part of these financial statements.

REGIONAL HOUSING LEGAL SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

2024

	Program Services					Total
	Housing and Community Development	Pennsylvania Utility Law Project	Total	Management and General	Fund- raising	
Expenses:						
Salaries	\$ 1,322,341	\$ 662,084	\$ 1,984,425	\$ 292,592	\$ 39,482	\$ 2,316,499
Fringe benefits	470,562	230,729	701,291	80,132	14,757	796,180
Consultants and contractors	770,953	85,039	855,992	20,414	42	876,448
Travel	41,581	13,448	55,029	11,966	1,164	68,159
Space costs	79,649	8,322	87,971	13,359	2,226	103,556
Consumable supplies	34,400	2,458	36,858	5,595	933	43,386
Equipment-related expense	2,659	-	2,659	-	62	2,721
Other	135,529	14,605	150,134	35,904	1,904	187,942
Total expenses	<u>\$ 2,857,674</u>	<u>\$ 1,016,685</u>	<u>\$ 3,874,359</u>	<u>\$ 459,962</u>	<u>\$ 60,570</u>	<u>\$ 4,394,891</u>

The accompanying notes are an integral part of these financial statements.

REGIONAL HOUSING LEGAL SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

2023 restated

	Program Services			Management and General	Fund- raising	Total
	Housing and Community Development	Pennsylvania Utility Law Project	Total			
Expenses:						
Salaries	\$ 1,164,821	\$ 591,365	\$ 1,756,186	\$ 259,239	\$ 55,701	\$ 2,071,126
Fringe benefits	432,688	210,262	642,950	93,601	11,210	747,761
Consultants and contractors	994,402	79,882	1,074,284	11,478	48	1,085,810
Travel	25,117	6,776	31,893	5,853	396	38,142
Space costs	78,460	9,995	88,455	12,094	1,309	101,858
Consumable supplies	28,531	6,143	34,674	4,849	506	40,029
Equipment-related expense	3,409	-	3,409	-	46	3,455
Other	86,533	13,564	100,097	29,721	1,338	131,156
Total expenses	\$ 2,813,961	\$ 917,987	\$ 3,731,948	\$ 416,835	\$ 70,554	\$ 4,219,337

The accompanying notes are an integral part of these financial statements.

REGIONAL HOUSING LEGAL SERVICES

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023 restated
Cash Flows From Operating Activities:		
Cash received from contracts, grants and contributions	\$ 4,093,156	\$ 3,633,480
Interest received	39,748	2,958
Other revenue received	6,787	639
Cash paid to employees and related fringe benefits	(3,112,679)	(2,791,255)
Cash paid for other expenses	(969,531)	(1,235,810)
Net cash provided by (used in) operating activities	57,481	(389,988)
Net Increase (Decrease) in Cash and Cash Equivalents	57,481	(389,988)
Cash and Cash Equivalents:		
Beginning of year	1,194,295	1,584,283
End of year	\$ 1,251,776	\$ 1,194,295
Reconciliation of Change in Net Assets to Net Cash Flows From Operating Activities:		
Change in net assets	\$ 104,225	\$ 93,520
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in:		
Accounts receivable	267,846	(317,926)
Promises to give	(190,552)	(39,314)
Lease liability and asset	(1,419)	7,200
Prepaid expenses	(10,143)	(28,442)
Accounts payable and accrued expenses	(78,962)	(41,457)
Refundable advance	(33,514)	(63,569)
Net Cash Provided by (Used in) Operating Activities	\$ 57,481	\$ (389,988)

The accompanying notes are an integral part of these financial statements.

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies

Nature of Operations

Regional Housing Legal Services (RHLS) is a nonprofit corporation organized to build more self-sufficient communities by providing legal services and technical assistance to clients who develop affordable housing and engage in neighborhood revitalization and economic development activities throughout Pennsylvania. RHLS is part of a network of separate organizations, each with its own management team serving all of Pennsylvania's 67 counties. RHLS represents its clients in matters relating to the development of affordable housing with support from discretionary government funding, the philanthropic community and the volunteer services of attorneys and others. RHLS receives funding from Pennsylvania Legal Aid Network (PLAN) (formerly Pennsylvania Legal Services) and other foundations and government grants. Pennsylvania Utility Law Project (PULP) is a program provided by RHLS that helps groups and individuals who meet the income eligibility guidelines of PLAN by providing information, assistance, and advice about residential utility and energy matters affecting low-income consumers.

Basis of Accounting

The financial statements of RHLS have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. RHLS recognizes unconditional contribution revenue received as support without donor restrictions to the extent that eligible costs are incurred and as support with donor restrictions to the extent that eligible costs have yet to be incurred or additional time restrictions apply.

Basis of Presentation

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

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of RHLS and/or the passage of time or maintained permanently by RHLS.

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Contribution of Non- Financial Assets

In-kind contributions are recorded at fair market value at the time of receipt. The contributions are recognized as both support and expenses in the Statements of Activities. Only those services that create or enhance non-financial assets, require skills and are provided by such individuals possessing those skills and would typically need to be purchased, if not by donation, are recognized in the financial statements. In-kind contributed services totaled \$366,773 and \$227,339 for the years ended June 30, 2024, and 2023, respectively. For the years ended June 30, 2024, and 2023, contributed services consisted of pro bono legal services utilized for program services. The legal services are recorded at estimated fair value in the financial statements based on current rates for similar legal services. Unless otherwise noted, contributed nonfinancial assets did not have donor- imposed restrictions.

Contracted Services

Services to other legal services and housing organizations and contracts directly with governmental entities that are reciprocal transfers are accounted for as exchange transactions. Revenue is recorded at the point the services are performed and an allowance for expected credit losses against receivables is considered if there is an indication that the organization is unable to pay for services rendered. Management believes that the historical loss information it has compiled is a reasonable base on which to determined expect credit losses for accounts receivable held at June 30, 2024 and 2023 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit loss percentages. Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current or forecasted changes. No allowance was deemed warranted at June 30, 2024 and 2023.

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Expense Allocation

The costs of providing services have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated to the program and support services benefited. RHLS allocates expense among PLAN and other funding sources based on specific identification and/or time expended on cases.

Income Tax Status

RHLS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, RHLS qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation.

Further, RHLS annually files a Form 990.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, RHLS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits.

RHLS maintains a separate interest-bearing checking account for funding received from the Pennsylvania Interest on Lawyers' Trust Accounts (PA IOLTA Board) through PLAN, as required by policy enacted by the PA IOLTA Board effective November 1, 2010.

Investments held for others

Investment purchases are recorded at costs. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenditures and fees.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost. Depreciation is

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

computed using the straight-line method. Depreciation and amortization expense were zero for the years ended June 30, 2024 and 2023.

Deferred Compensation Obligation

The Organization also sponsors a 457(b) supplemental deferred compensation plan to provide a deferred compensation plan for selected senior executives. Annual employer contributions to the plan are determined by the Board. The participants in the plan become 100% vested immediately upon contribution. Employee pretax contributions are allowed up to IRS limits. As of June 30, 2024 and 2023, the total investments held for others and deferred compensation obligation was \$479,198 and \$432,115, respectively.

Contributions and Refundable Advances

Conditional contributions received are recorded as refundable advances until the conditions are substantially met. When the conditions are substantially met, the contribution becomes unconditional.

Unconditional contributions are recorded as without donor restrictions or with donor restrictions. This classification is dependent on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor 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 statements of activities as net assets released from restrictions.

Concentration of Grants

RHLS is funded on a year-to-year basis through contracts with PLAN and IOLTA. For the years ended June 30, 2024 and 2023, approximately 43% and 58%, respectively, of RHLS's funding was received from PLAN and IOLTA. Funding for the contracts is provided for by the Commonwealth of Pennsylvania Department of Human Services (DHS) with Commonwealth and Federal Title XX funds, PA IOLTA Board, and by other non-DHS public and private sources. RHLS also receives funding from various foundations. Total revenue and other support used in these calculations do not include in-kind contributions.

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Funding Source Expense Allocation

RHLS allocates expenses among PLAN and other funding sources. The allocation of expenses among funding sources is based on a timekeeping system for personnel costs and allocation of common expenses based on the relative personnel cost base. The funding source expense allocation is summarized on the Schedule of Revenues and Other Support, Expenses and Changes in Net Assets by Primary Funding Sources included in supplementary information.

Leases

RHLS determines if an arrangement includes a lease at inception of the contract based on various facts and circumstances present. At the lease commencement date, RHLS records operating and/or finance lease liabilities and their corresponding ROU assets based on the present value of lease payments over the lease term. The lease term represents the non-cancellable period of the lease and may include options to extend or early terminate the lease, which are included in the lease term when RHLS determines they are reasonably certain to exercise and there is a significant economic incentive to exercise the options RHLS uses the interest rate implicit in RHLS's lease contracts to discount the lease liabilities, when available. In those circumstances where the implicit rate is not known, RHLS uses its risk-free rate to discount the lease liabilities. The risk-free rate is the minimum return an investor expects for an investment that is considered to have zero risk of default. Certain adjustments to the ROU asset may be required for items such as incentives received, prepaid rent, accrued rent, or unamortized initial-direct costs. RHLS does not recognize leases with terms of one year or less on the accompanying statement of financial position.

RHLS acts as a lessee under operating leases. Operating lease costs are recognized over the expected lease term on a straight-line basis and is recorded in management and general expenses in the accompanying statement of activities. RHLS's lease arrangements do not contain residual value guarantees.

Adopted Accounting Standard

The requirements of the following Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) were adopted during the year ended June 30, 2024:

ASU 2016-13, "*Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.*" These amendments and related amendments require a financial asset (or a group of financial assets) measured at amortized cost basis to be

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The impact of the adoption was not considered material to the financial statements.

Subsequent events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

2. Restatement

The June 30, 2023, financial statements were restated to include the tax-exempt 457(b) "Top Hat" plan assets, liabilities and investment income, which was previously not included on the issued financial statements. The effect of including the plan assets increased total assets by \$452,115 and total liabilities by \$452,115 on the statement of net position and an increase of \$36,432 in total revenue and support on the statement of activities and \$36,432 in total fringe benefits costs under the statement of functional expenses. There was not a cumulative effect on RHLS's net assets as the pension plan assets are held for payment to employees.

3. Promises to Give

Unconditional promises to give were \$0 and \$0 as of June 30, 2024, and 2023, respectively, and all were due within one year.

Conditional promises to give are as follows at June 30, 2024, and 2023:

	2024	2023
Oak Foundation	\$ 300,000	\$ 600,000
Movement Strategy Plan	75,000	-
Independence foundation	30,000	-
McAuley	-	76,500
Total	<u>\$ 405,000</u>	<u>\$ 676,500</u>

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Revenue will be recognized when qualifying expenses are incurred and the promise becomes unconditional.

4. Fair Value Measurements

The accounting codification guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that RHLS has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the assets or liabilities.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Mutual funds are valued at the net asset value (NAV) of shares held by RHLS at year-end as quoted in active markets

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

The following table sets forth by level within the fair value hierarchy, RHLS's financial assets classified as "Investments held for others" that were accounted for at fair value and held by the 457 (B) plan as of June 30, 2024 and 2023:

<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, by type:				
International	\$ 35,306	\$ -	\$ -	\$ 35,306
Small cap	25,611	-	-	25,611
Mid Cap	14,260	-	-	14,260
Large Cap	105,618	-	-	105,618
Balanced	831	-	-	831
Bond	57,185	-	-	57,185
Fixed	240,571	-	-	240,571
Total mutual funds	479,382	-	-	479,382
	<u>\$ 479,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,382</u>
<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, by type:				
International	\$ 30,749	\$ -	\$ -	\$ 30,749
Small cap	24,329	-	-	24,329
Mid cap	12,477	-	-	12,477
Large cap	83,876	-	-	83,876
Balanced	770	-	-	770
Bond	53,392	-	-	53,392
Fixed	226,653	-	-	226,653
Total mutual funds	432,246	-	-	432,246
	<u>\$ 432,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,246</u>

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

5. Refundable Advances

RHLS's refundable advances as of June 30, 2024 and 2023 are as follows:

	2024	2023
Access to Justice Act	\$ -	\$ 10,158
IOLTA	-	862
Truist	58,625	-
MLK Scholarship	2,700	3,000
Energy Foundation	190,000	-
Hillman	-	149,326
Foundation of Delaware County	12,450	-
Heinz Foundation	80,000	-
Movement Strategy Center	125,000	100,000
IOLTA Zone/ CRLA	-	238,943
Total	<u>\$ 468,775</u>	<u>\$ 502,289</u>

All refundable advances as of June 30, 2024 and 2023 are considered conditional contributions with an unmet barrier to incur qualifying expenses.

Funding from IOLTA, Access to Justice Act, and PHARE requires that no more than 10% of the grant be carried over to a subsequent fiscal year. The recipient may request a written waiver to carry over more than 10% to the subsequent fiscal year. No written waiver was required for IOLTA and Access to Justice Act funding for the years ended June 30, 2024 and 2023, respectively. No written waiver was required for PHARE funding for the year ended June 30, 2024 and 2023. There were no carryover as of June 30, 2024. Actual carryover as of June 30, 2023 was 4.4% of IOLTA funding (PULP), 3.7% of Access to Justice Act funding (PULP), and 0% of PHARE funding.

6. Pension Plans

RHLS maintains a 403(b)-retirement savings plan for all eligible employees. Under the plan, a percentage of the eligible employees' gross wages is contributed to the plan by RHLS. The percentage contributed is based upon the employees' years of service.

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

As of May 1, 2011, RHLS established a tax-exempt 457(b) “Top Hat” plan for a select group of employees. The purpose of the plan is to provide deferred compensation for these employees. Contributions to the plan can consist of employee and employer contributions. The assets of the plan are subject to claims of creditors of RHLS. Total plan assets were \$479,198 and \$432,115 as of June 30, 2024 and 2023, respectively.

Contributions to the plans amount to \$143,877 and \$126,312 for the years ended June 30, 2024, and 2023, respectively.

7. Related Party Transactions

RHLS is a beneficiary of a supporting organization, Commonwealth Housing Legal Services (CHLS), whose charitable purpose is to support RHLS and CHDC. RHLS appoints one CHLS board member of five board members and two of five of CHDC’s Board members. For the years ended June 30, 2024 and 2023, RHLS received \$954,680 and \$0 in total from CHLS and, at June 30, 2024 and 2023, had \$0 and \$363,375 due from CHLS, respectively.

8. Leases and Commitments

RHLS leases office facilities in Pittsburgh and Philadelphia, Pennsylvania. The leases hold RHLS responsible for fixed monthly rental payments, plus certain real estate and utility expenses.

The office facilities in Philadelphia, Pennsylvania are leased from Wick Capital Partners, LCC, a PA limited liability company. The lease began on January 1, 2023 and will terminate on December 31, 2025. Rental is currently set at \$5,846 per month and will increase to \$6,202 a month. There is an option for a 4-year renewal, however RHLS has not determined if they will exercise that option therefore this is not included in the lease calculation.

The office facility in Pittsburgh, Pennsylvania is leased from Columbus – Pittsburgh Properties, LTD., a limited partnership. The lease ends on December 31, 2024 and is renewable on a year-to-year basis thereafter. Rent is currently set at \$1,677 per month and will increase by 5% for each yearly renewal.

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

The components of lease expense were as follows:

	<u>2024</u>	<u>2023</u>
Short term lease cost	\$ 8,170	\$ 33,130
Operating lease cost	<u>90,112</u>	<u>48,519</u>
Total lease costs	<u>\$ 98,282</u>	<u>\$ 81,649</u>

Future minimum lease payments under non-cancellable operating leases as of June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Supplemental Cash Flows information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 90,112	\$ 48,519
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ 254,566
Weighted average remaining lease term:		
Operating leases (years)	1.63	2.47
Weighted average discount rate:		
Operating leases	3.72%	3.66%

Year Ending June 30,	<u>Operating Leases</u>
2025	\$ 83,589
2026	50,850
2027	<u>1,664</u>
Total future minimum lease payments	136,103
Less: interest	<u>(3,923)</u>
Total	<u>\$ 132,180</u>

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

9. Line of Credit

RHLS has an unsecured line of credit of \$400,000 at 3.5% at June 30, 2024. The line expires November 30, 2024. There was no balance on the line of credit at June 30, 2024, and 2023.

10. Concentration of Credit Risk

Financial instruments, which potentially subject RHLS to concentration of credit risk, consist principally of temporary cash investments. RHLS invests its temporary cash with several financial institutions. The cash balances are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. The balances, at times, may exceed federally insured limits.

11. Net Assets

Net assets as of June 30, 2024, and 2023 consist of the following:

	2024		
	Housing & Community Development	Pennsylvania Utility Law Project	Total
Net Assets Without Donor Restrictions	\$ 857,827	\$ 468,953	\$ 1,326,780
Net Assets With Donor Restrictions	-	-	-
Total net assets	<u>\$ 857,827</u>	<u>\$ 468,953</u>	<u>\$ 1,326,780</u>

	2023		
	Housing & Community Development	Pennsylvania Utility Law Project	Total
Net Assets Without Donor Restrictions	\$ 801,600	\$ 420,955	\$ 1,222,555
Net Assets With Donor Restrictions	-	-	-
Total net assets	<u>\$ 801,600</u>	<u>\$ 420,955</u>	<u>\$ 1,222,555</u>

REGIONAL HOUSING LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

12. Liquidity and Availability

As part of RHLS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, RHLS invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, RHLS has a committed line of credit in the amount of \$400,000, which could be drawn on, if necessary.

RHLS's liquid assets as of June 30, 2024, and 2023 expected to be available within one year to meet the cash needs for general expenditures total \$1,730,147 and \$1,749,960 respectively. This amount is comprised of all assets as of June 30, 2024, and 2023, except for prepaid expenses, investment held for others and right of use assets.

13. Contingencies

Grants received are subject to audit and adjustment by grantor agencies, principally PLAN. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although RHLS expects such amounts, if any, to be immaterial.

SUPPLEMENTARY INFORMATION

REGIONAL HOUSING LEGAL SERVICES

SCHEDULE OF REVENUES AND OTHER SUPPORT, EXPENSES, AND CHANGES IN NET ASSETS BY PRIMARY FUNDING SOURCES - LEGAL SERVICES FOR HOUSING AND COMMUNITY DEVELOPMENT

YEAR ENDED JUNE 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

	Pennsylvania Legal Aid Network									Totals	
	Federal Title XX	State	Access to Justice Act	IOLTA	MLK	Total	IOLTA ZONE	IOLTA CRLA	Other	2024	2023 restated
Revenue and Support:											
Contracts and grants	\$ 131,452	\$ 100,581	\$ 309,744	\$ 229,315	\$ 50,520	821,612	5,909	\$ 220,745	\$ 1,682,895	\$ 2,731,161	\$ 2,796,835
Contributions	-	-	-	-	-	-	-	-	152,084	152,084	126,179
Contributions of non- financial assets	-	-	-	-	-	-	-	-	324,324	324,324	203,326
Gain on investments held for others	-	-	-	-	-	-	-	-	36,432	36,432	27,632
Interest income	-	-	11	8	-	19	-	-	29,717	29,736	2,908
Other revenue	-	-	-	-	-	-	-	-	6,787	6,787	639
Total revenues and support	131,452	100,581	309,755	229,323	50,520	821,631	5,909	220,745	2,232,239	3,280,524	3,157,519
Expenses:											
Salaries:											
Attorneys	53,860	43,145	148,084	100,258	32,494	377,841	4,400	72,908	639,246	1,094,395	1,005,864
Paralegals	18,099	12,084	29,528	25,863	-	85,574	-	24,526	106,888	216,988	148,236
Support staff	8,153	6,143	7,893	13,897	-	36,086	-	14,951	175,980	227,017	211,591
Law students	629	420	1,023	898	4,800	7,770	-	-	1,830	9,600	2,550
Total salaries	80,741	61,792	186,528	140,916	37,294	507,271	4,400	112,385	923,944	1,548,000	1,368,241
Fringe benefits:											
Payroll taxes	6,177	4,727	14,269	10,780	2,485	38,438	330	8,635	63,955	111,358	101,830
Unemployment tax	225	172	551	393	200	1,541	3	93	2,390	4,027	8,868
Hospitalization insurance	14,376	10,993	35,148	25,039	8,089	93,645	864	20,481	157,787	272,777	260,999
Life, accident and disability	790	604	1,931	1,376	552	5,253	-	1,187	8,565	15,005	17,053
Dental insurance	1,093	836	2,673	1,904	-	6,506	49	1,397	12,608	20,560	88,951
Retirement	4,773	3,650	11,670	8,313	900	29,306	249	6,787	55,711	92,053	18,680
Retirement - investment held for others	-	-	-	-	-	-	-	-	36,432	36,432	27,632
Workers' compensation	138	106	337	240	1,000	1,821	14	392	601	2,828	2,567
Total fringe benefits	27,572	21,088	66,579	48,045	13,226	176,510	1,509	38,972	338,049	555,040	526,580
Consultants and contractors:											
Auditing	-	-	4	1	-	5	-	1,163	71	1,239	2,953
Other consultants	11,615	8,881	28,397	20,230	-	69,123	-	44,067	331,661	444,851	793,002
In-kind services	-	-	-	-	-	-	-	-	324,324	324,324	203,327
Total consultants and contractors	11,615	8,881	28,401	20,231	-	69,128	-	45,230	656,056	770,414	999,282
Travel:											
Employee travel - local	100	77	245	175	-	597	-	52	1,155	1,804	396
Employee travel - out of town	1,259	962	3,077	2,192	-	7,490	-	7,978	31,521	46,989	28,362
Board meetings	109	83	265	189	-	646	-	360	1,261	2,267	1,209
Total travel	1,468	1,122	3,587	2,556	-	8,733	-	8,390	33,937	51,060	29,967

(Continued)

REGIONAL HOUSING LEGAL SERVICES

SCHEDULE OF REVENUES AND OTHER SUPPORT, EXPENSES, AND CHANGES IN NET ASSETS BY PRIMARY FUNDING SOURCES - LEGAL SERVICES FOR HOUSING AND COMMUNITY DEVELOPMENT

YEAR ENDED JUNE 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

(Continued)

	Pennsylvania Legal Aid Network						IOLTA ZONE	IOLTA CRLA	Other	Totals	
	Federal Title XX	State	Access to Justice Act	IOLTA	MLK	Total				2024	2023 restated
Space costs:											
Rent	4,812	3,680	11,766	8,382	-	28,640	-	5,965	55,476	90,081	85,661
Utilities	123	94	300	214	-	731	-	68	1,370	2,169	4,108
Maintenance	93	71	227	162	-	553	-	31	1,036	1,620	175
Total space costs	5,028	3,845	12,293	8,758	-	29,924	-	6,064	57,882	93,870	89,944
Consumable supplies:											
Office supplies	1,153	881	2,818	2,007	-	6,859	-	1,250	32,416	40,525	32,705
Total consumable supplies	1,153	881	2,818	2,007	-	6,859	-	1,250	32,416	40,525	32,705
Equipment-related expense:											
Equipment leased	131	100	320	228	-	779	-	6	1,503	2,288	2,270
Repairs and maintenance	25	19	61	43	-	148	-	1	284	433	1,185
Total equipment-related expense	156	119	381	271	-	927	-	7	1,787	2,721	3,455
Other:											
Insurance and bonding	552	422	1,348	961	-	3,283	-	594	6,353	10,230	10,893
Printing costs	71	54	174	124	-	423	-	-	815	1,238	-
Professional dues	327	250	800	570	-	1,947	-	672	3,783	6,402	8,464
Tuition and seminar fees	808	618	1,975	1,407	-	4,808	-	5,124	9,483	19,415	6,104
Advertising	-	-	-	-	-	-	-	-	7,190	7,190	3,925
Law library upkeep and subscriptions	805	616	1,969	1,403	-	4,793	-	793	9,276	14,862	14,507
Telephone	1,040	805	2,619	1,872	-	6,336	-	1,095	12,237	19,668	18,307
Postage	80	61	196	140	-	477	-	138	926	1,541	1,622
Miscellaneous	36	27	87	62	-	212	-	31	81,878	82,121	43,523
Total other	3,719	2,853	9,168	6,539	-	22,279	-	8,447	131,941	162,667	107,345
Total expenses	131,452	100,581	309,755	229,323	50,520	821,631	5,909	220,745	2,176,012	3,224,297	3,157,519
Change in Net Assets	-	-	-	-	-	-	-	-	56,227	56,227	-
Net Assets:											
Beginning of year	-	-	-	-	-	-	-	-	-	801,600	635,321
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,227	\$ 857,827	\$ 801,600

(Concluded)

REGIONAL HOUSING LEGAL SERVICES
SCHEDULE OF REVENUES AND OTHER SUPPORT, EXPENSES, AND
CHANGES IN NET ASSETS BY PRIMARY FUNDING SOURCES -
PENNSYLVANIA UTILITY LAW PROJECT
YEAR ENDED JUNE 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Pennsylvania Legal Aid Network								IOLTA Zone	Other	Totals	
	Federal Title XX	State	Access to Justice Act	IOLTA	PHARE	MLK	HAF	Total			2024	2023
Revenue and Support:												
Contracts and grants	\$ 72,417	\$ 55,411	\$ 186,204	\$ 131,899	\$ 132,533	\$ 3,000	\$ 56,010	\$ 637,474	\$ 50,000	\$ 476,743	\$ 1,164,217	\$ 1,120,071
Contributions	-	-	-	-	-	-	-	-	-	1,914	1,914	11,204
Contributions of non-financial assets	-	-	-	-	-	-	-	-	-	42,449	42,449	24,013
Interest income	-	-	6	6	-	-	-	12	-	10,000	10,012	50
Total revenue and support	<u>72,417</u>	<u>55,411</u>	<u>186,210</u>	<u>131,905</u>	<u>132,533</u>	<u>3,000</u>	<u>56,010</u>	<u>637,486</u>	<u>50,000</u>	<u>531,106</u>	<u>1,218,592</u>	<u>1,155,338</u>
Expenses:												
Salaries:												
Attorneys	28,792	22,700	100,318	55,101	37,659	-	7,476	252,046	9,861	163,038	424,945	386,513
Paralegal	2,367	2,884	3,365	4,183	34,425	-	9,390	56,614	2,768	5,578	64,960	56,386
Professionals	13,214	9,218	15,554	23,928	11,306	-	369	73,589	23,219	118,858	215,666	193,008
Support staff	8,400	4,740	1,000	10,121	7,083	-	1,464	32,808	2,027	25,093	59,928	59,928
Law students	-	-	-	-	-	3,000	-	3,000	-	-	3,000	7,050
Total salaries	<u>52,773</u>	<u>39,542</u>	<u>120,237</u>	<u>93,333</u>	<u>90,473</u>	<u>3,000</u>	<u>18,699</u>	<u>418,057</u>	<u>37,875</u>	<u>312,567</u>	<u>768,499</u>	<u>702,885</u>
Fringe benefits:												
Payroll taxes	4,037	3,025	9,198	7,139	6,921	-	1,430	31,750	2,897	24,234	58,881	53,861
Unemployment tax	123	101	443	245	261	-	53	1,226	108	842	2,176	4,035
Retirement	2,929	2,404	10,553	5,833	6,219	-	1,266	29,204	2,583	20,037	51,824	37,361
Hospitalization insurance	6,725	5,520	24,228	13,392	13,280	-	2,703	65,848	3,443	41,372	110,663	107,987
Life, accident and disability	379	311	1,366	755	805	-	164	3,780	334	2,594	6,708	7,060
Dental insurance	540	443	1,946	1,076	1,147	-	233	5,385	476	3,696	9,557	9,276
Workers' compensation	75	62	271	150	160	-	33	751	66	514	1,331	1,600
Total fringe benefits	<u>14,808</u>	<u>11,866</u>	<u>48,005</u>	<u>28,590</u>	<u>28,793</u>	<u>-</u>	<u>5,882</u>	<u>137,944</u>	<u>9,907</u>	<u>93,289</u>	<u>241,140</u>	<u>221,180</u>
Consultants and contractors:												
Auditing	-	-	391	275	156	-	116	938	-	3,801	4,739	4,717
Other consultants	1,955	1,605	7,045	3,894	6,889	-	1,437	22,825	-	36,021	58,846	57,798
Pro bono attorneys	-	-	-	-	-	-	-	-	-	42,449	42,449	24,013
Total consultants and contractors	<u>1,955</u>	<u>1,605</u>	<u>7,436</u>	<u>4,169</u>	<u>7,045</u>	<u>-</u>	<u>1,553</u>	<u>23,763</u>	<u>-</u>	<u>82,271</u>	<u>106,034</u>	<u>86,528</u>
Travel:												
Employee travel - local	78	64	281	155	-	-	25	603	-	432	1,035	706
Employee travel - out of town	433	355	1,560	862	1,484	-	350	5,044	2,218	7,057	14,319	7,162
Board meetings	79	65	285	157	-	-	26	612	-	438	1,050	305
Client Travel	52	43	189	104	-	-	17	405	-	291	695	-
Total travel	<u>642</u>	<u>527</u>	<u>2,315</u>	<u>1,278</u>	<u>1,484</u>	<u>-</u>	<u>418</u>	<u>6,664</u>	<u>2,218</u>	<u>8,218</u>	<u>17,099</u>	<u>8,173</u>

(Continued)

REGIONAL HOUSING LEGAL SERVICES

SCHEDULE OF REVENUES AND OTHER SUPPORT, EXPENSES, AND CHANGES IN NET ASSETS BY PRIMARY FUNDING SOURCES - PENNSYLVANIA UTILITY LAW PROJECT

YEAR ENDED JUNE 30, 2024

(With Comparative Totals for the Year Ended June 30, 2023)

(Continued)

	Pennsylvania Legal Aid Network							IOLTA Zone	Other	Totals		
	Federal Title XX	State	Access to Justice Act	IOLTA	PHARE	MLK	HAF			Total	2024	2023
Space costs:												
Rent	440	361	1,586	877	2,680	-	237	6,181	-	3,505	9,686	11,915
Total space costs	440	361	1,586	877	2,680	-	237	6,181	-	3,505	9,686	11,915
Consumable supplies:												
Office supplies	157	129	564	312	237	-	70	1,469	-	1,392	2,861	7,323
Total consumable supplies	157	129	564	312	237	-	70	1,469	-	1,392	2,861	7,323
Other:												
Insurance and bonding	547	483	2,121	1,172	1,143	-	233	5,699	-	3,823	9,522	8,951
Professional dues	151	124	546	302	-	-	50	1,173	-	863	2,036	1,471
Tuition and seminar fees	247	202	889	491	-	-	80	1,909	-	1,385	3,294	1,306
Law library subscription	203	167	732	405	-	-	67	1,574	-	1,159	2,733	3,380
Telephone	404	330	1,453	795	678	-	160	3,820	-	2,694	6,514	7,421
Postage	20	17	73	41	-	-	7	158	-	116	274	252
Miscellaneous	70	58	253	140	-	-	-	521	-	381	902	1,033
Total other	1,642	1,381	6,067	3,346	1,821	-	597	14,854	-	10,421	25,275	23,814
Total expenses	72,417	55,411	186,210	131,905	132,533	3,000	27,456	608,932	50,000	511,663	1,170,594	1,061,818
Change in Net Assets	-	-	-	-	-	-	28,554	28,554	-	19,443	47,998	93,520
Net Assets:												
Beginning of year	-	-	-	-	-	-	-	-	-	-	420,955	327,435
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,554	\$ 28,554	\$ -	\$ 19,443	\$ 468,953	\$ 420,955

(Concluded)

Regional Housing Legal Services

Independent Auditor's Reports
In Accordance with
Government Auditing Standards

Year Ended June 30, 2024

**Independent Auditor’s Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**Board of Directors
Regional Housing Legal Services**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Regional Housing Legal Services (RHLS) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 8, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Board of Directors
Regional Housing Legal Services
Independent Auditor’s Report on Internal Control
over Financial Reporting and on Compliance and Other Matters

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RHLS’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RHLS’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maher Duessel

Harrisburg, Pennsylvania
October 8, 2024