



Financial Statements
September 30, 2021
(With Comparative Totals for 2020)

Disability Law Center

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Independent Auditor's Report

To the Board of Trustees
Disability Law Center
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Disability Law Center (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Disability Law Center as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Disability Law Center's financial statements as of and for the year ended September 30, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2022, on our consideration of Disability Law Center'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 Disability Law Center'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 Disability Law Center's internal control over financial reporting and compliance.



Salt Lake City, Utah
January 25, 2022

Disability Law Center
Statement of Financial Position
September 30, 2021

With Summarized Financial Information as of September 30, 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 394,899	\$ 542,354
Grants receivable	293,442	281,832
Note receivable	1,004,283	-
Sales tax receivable	1,027	1,144
Certificates of deposit	790,069	1,578,953
Prepaid expenses	24,444	24,953
Total current assets	2,508,164	2,429,236
Deposits	2,766	2,766
Property and Equipment, Net of Accumulated Depreciation	7,180	10,020
Total assets	\$ 2,518,110	\$ 2,442,022
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 7,009	\$ 24,355
Accrued expenses	224,665	215,809
Total current liabilities	231,674	240,164
Net Assets		
Without donor restrictions	2,107,295	2,015,467
With donor restrictions	179,141	186,391
Total net assets	2,286,436	2,201,858
Total liabilities and net assets	\$ 2,518,110	\$ 2,442,022

Disability Law Center

Statement of Activities

For the Year Ended September 30, 2021

With Summarized Financial Information for the Year Ended September 30, 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Totals
Revenue and Support				
Federal revenue				
U.S. Dept. of Health and Human Services	\$ 1,100,456	\$ -	\$ 1,100,456	\$ 1,098,037
U.S. Dept. of Education	299,455	-	299,455	307,851
Social Security Administration	268,920	-	268,920	276,879
U.S. Dept. of Housing and Urban Development	310,534	-	310,534	184,384
"And Justice for All" Campaign	100,170	-	100,170	203,880
Other grants	-	361,141	361,141	207,969
Interest income	11,965	-	11,965	32,503
Donated services revenue	21,594	-	21,594	52,824
Donations	49,873	-	49,873	48,519
Program income	-	37,187	37,187	3,685
Net assets released from restrictions	405,578	(405,578)	-	-
Total revenue and support	<u>2,568,545</u>	<u>(7,250)</u>	<u>2,561,295</u>	<u>2,416,531</u>
Expenses				
Program services	2,199,127	-	2,199,127	2,168,432
Management and general	275,484	-	275,484	261,760
Fundraising	2,106	-	2,106	3,179
Total expenses	<u>2,476,717</u>	<u>-</u>	<u>2,476,717</u>	<u>2,433,371</u>
Change in Net Assets	91,828	(7,250)	84,578	(16,840)
Net Assets, Beginning of Year	<u>2,015,467</u>	<u>186,391</u>	<u>2,201,858</u>	<u>2,218,698</u>
Net Assets, End of Year	<u>\$ 2,107,295</u>	<u>\$ 179,141</u>	<u>\$ 2,286,436</u>	<u>\$ 2,201,858</u>

Disability Law Center
Statement of Functional Expenses
For the Year Ended September 30, 2021
With Summarized Financial Information for the Year Ended September 30, 2020

	2021			2020	
	Program Services	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 1,532,272	\$ 208,848	\$ 1,610	\$ 1,742,730	\$ 1,640,065
Payroll taxes and benefits	361,689	49,833	384	411,906	365,563
	1,893,961	258,681	1,994	2,154,636	2,005,628
Rent	53,289	3,514	-	56,803	59,539
Contract services	43,365	2,860	-	46,225	37,063
Travel	6,697	442	-	7,139	23,871
Office supplies and postage	11,083	715	10	11,808	14,455
Conferences	11,453	756	11	12,220	10,357
Telephone	11,715	773	11	12,499	12,709
Insurance	11,039	729	10	11,778	9,083
Client litigation expenses	42,055	-	-	42,055	76,194
Newsletter and outside printing	18,325	1,210	17	19,552	54,794
Dues/fees	13,545	893	-	14,438	15,317
Repairs and maintenance	141	9	-	150	-
Small equipment and computer systems	52,480	3,464	50	55,994	71,558
Library and subscriptions	15,545	1,025	-	16,570	11,033
Recruitment	3,185	210	-	3,395	79
Board expenses	160	27	-	187	1,286
Consulting	8,428	-	-	8,428	27,365
Total expenses before depreciation	2,196,466	275,308	2,103	2,473,877	2,430,331
Depreciation	2,661	176	3	2,840	3,040
Total expenses	<u>\$ 2,199,127</u>	<u>\$ 275,484</u>	<u>\$ 2,106</u>	<u>\$ 2,476,717</u>	<u>\$ 2,433,371</u>

Disability Law Center

Statement of Cash Flows

For the Year Ended September 30, 2021

With Summarized Financial Information for the Year Ended September 30, 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 84,578	\$ (16,840)
Adjustments to reconcile change in net assets to net cash flows from (used for) operating activities		
Depreciation	2,840	3,040
(Increase) decrease in assets		
Grants receivable	(11,610)	(73,650)
Sales tax receivable	117	1,549
Prepaid expenses	509	(2,112)
Increase (decrease) in liabilities		
Accounts payable	(17,346)	18,878
Accrued expenses	8,856	43,248
Deferred revenues	-	(11,475)
Net Cash from (used for) Operating Activities	67,944	(37,362)
Investing Activities		
Maturity of certificates of deposit	796,566	1,566,860
Interest earned reinvested into certificates of deposit	(7,682)	(32,346)
Acquisition of certificates of deposit	-	(1,566,860)
Issuance of note receivable	(1,004,283)	-
Net Cash used for Investing Activities	(215,399)	(32,346)
Net Change in Cash and Cash Equivalents	(147,455)	(69,708)
Cash and Cash Equivalents, Beginning of Year	542,354	612,062
Cash and Cash Equivalents, End of Year	\$ 394,899	\$ 542,354

Note 1 - Summary of Significant Accounting Policies

Organization and Nature of Activities

Disability Law Center (the Organization) was incorporated under the laws of the State of Utah on April 16, 1975, as a nonprofit corporation. The Organization is part of a nationwide network of protection and advocacy systems (P & A's) which are mandated by Congress to provide legal representation and advocacy services on behalf of all persons with disabilities. Funding for these services is provided under grants from the Department of Health and Human Services, the Department of Education, the Department of Housing and Urban Development, the Social Security Administration, private foundations, and donations.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended September 30, 2020, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. At times, amounts on deposit may exceed federally insured limits. To date, the Organization has not experienced any losses from such deposits and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding at year end. An allowance for doubtful accounts has not been established because management believes that all receivables are fully collectible.

Certificates of Deposit

Certificates of deposit consist of certificates of deposit with financial institutions with original maturities greater than 90 days. These are recorded at cost on the statement of financial position and are included with current assets as the maturities are less than one year. Interest income from these investments is reported on the statement of activities.

Property and Equipment

Property and equipment additions over \$1,000 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 39 years. 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.

The Organization 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 year ended September 30, 2021.

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:

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) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's cost-reimbursable federal contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at September 30, 2021 conditional contributions approximately \$130,814 for which no amounts have been received in advance, have not been recognized in the accompanying financial statements.

Contributions of donated cash, assets and services are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organization received donated services in the amount of \$21,594 for the year ended September 30, 2021. The donated services are reported as client litigation expenses in the accompanying statement of functional expenses.

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 statement of functional expenses presents 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 rent and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, contract services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

Disability Law Center 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, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization 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.

The Organization 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. The Organization 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 revenue and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Concentrations of Credit Risk

The Organization receives a significant amount of its funding from government sources. Decreases in this government support would have an adverse effect upon the Organization.

Government Funding

Funding from all government sources is considered to be unrestricted as long as it is expended under contract guidelines and is expended in the year for which it is contracted.

Advertising and Promotion

All costs associated with advertising and promoting the Organization's goods and services are expensed in the year incurred. For the year ended September 30, 2021, the Organization incurred \$8,299 of advertising or promotion costs. Advertising and promotion expenses are included in program services on the statement of activities.

Change in Accounting Principle

The Disability Law Center has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received and has early adopted the provisions of contributions made. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists the Organization in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of October 1, 2020, the Organization has implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption. Management has determined that the adoption of this standard did not have a significant impact on the Organization's financial statements.

As of October 1, 2020, the Organization adopted the provisions of FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, which provides a comprehensive revenue recognition model for all contracts with customers. The new model requires revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Management has determined that the adoption of this standard did not have a significant impact on the Organization's financial statements.

Subsequent Events

The Organization has evaluated subsequent events through January 25, 2022, the date the financial statements were available to be issued.

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:

Cash and cash equivalents	\$	215,758
Grants receivable		293,442
Note receivable		1,004,283
Sales tax receivable		1,027
Certificates of deposit		790,069
		790,069
	\$	2,304,579

As part of a liquidity management plan, management invests cash in excess of daily requirements in certificates of deposit.

Note 3 - Equipment

Equipment consists of the following at September 30, 2021:

Computer equipment	\$	18,878
Furniture		3,437
Leasehold improvements		5,865
Less accumulated depreciation		(21,000)
		(21,000)
Net property and equipment	\$	7,180

Note 4 - Operating Leases

The Organization leases office space on a month-to-month lease with current monthly lease payments of \$4,962. Rent expense for the year ended September 30, 2021, was \$56,803.

Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at September 30, 2021:

Grants for legislative advocacy/other grants	\$	86,814
Grants for specific litigation projects		72,384
Client representation fund		17,693
Litigation revenue related to Fair Housing Grant		2,250
		2,250
	\$	179,141

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended September 30, 2021:

	2021
Satisfaction of purpose restrictions	
Grants for legislative advocacy/other grants	\$ 73,213
Litigation revenue related to Protection and Advocacy for People with Developmental Disabilities	15,000
Litigation revenue related to Protection and Advocacy for Individuals with Mental Illness	13,351
Grants for specific litigation projects	150,221
Client representation fund	146,707
Litigation revenue related to Fair Housing Grants	7,086
	\$ 405,578

Note 6 - Benefit Plan

The Organization maintains a defined-contribution 401(k) plan. Under the 401(k) plan, employees are eligible for participation after three months of continuous employment as long as they work at least 1,000 hours during the calendar year. The Board of Trustees determines the percentage of the Organization's contribution on an annual basis. For the fiscal year ended September 30, 2021, the Organization contributed \$79,589.

Note 7 - Related Party Transactions

During the year ended September 30, 2021, the Organization entered into a note receivable with a principal amount of \$1,000,000 with an organization that has several board members in common. Under the terms of the agreement, all principal and accrued interest at 2% is due July 15, 2022, one year from the execution of the agreement.



Federal Awards Reports in Accordance with
Uniform Guidance
September 30, 2021

Disability Law Center



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*

The Board of Trustees
Disability Law Center
Salt Lake City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Disability Law Center (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 January 25, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Disability Law Center’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 Disability Law Center'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.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Salt Lake City, Utah
January 25, 2022



Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by Uniform Guidance

The Board of Trustees
Disability Law Center
Salt Lake City, Utah

Report on Compliance for the Major Federal Program

We have audited Disability Law Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Disability Law Center's major federal program for the year ended September 30, 2021. Disability Law Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for Disability Law Center's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Disability Law Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Disability Law Center's compliance.

Opinion on the Major Federal Program

In our opinion, Disability Law Center complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of Disability Law Center is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered Disability Law Center's internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Disability Law Center's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Salt Lake City, Utah
January 25, 2022

Disability Law Center
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services			
Protection and Advocacy for People with Developmental Disabilities	93.630		\$ 414,977
Protection and Advocacy for Individuals with Mental Illness	93.138		463,546
Protection and Advocacy for Traumatic Brain Injury	93.234		50,000
Voting Access for Individuals with Disabilities	93.618		71,178
Assistive Technology State Grants for Protection and Advocacy	93.843		78,493
Developmental Disabilities Basic Support and Advocacy Grants	93.630		<u>22,262</u>
Total U.S. Department of Health and Human Services			<u>1,100,456</u>
U.S. Department of Education			
Client Assistance Program	84.161A		123,001
Protection and Advocacy of Individual Rights	84.240A		<u>176,454</u>
Total U.S. Department of Education			<u>299,455</u>
Social Security Administration			
Work Incentives Assistance to Disabled Beneficiaries	96.009		94,121
Work Incentives Assistance to Disabled Beneficiaries - Representative Payee	96.009		<u>174,799</u>
Total Social Security Administration			<u>268,920</u>
U.S. Department of the Treasury			
Passed through from Utah Bar Foundation			
COVID-19 Coronavirus Relief Fund	21.019	None provided	15,084
COVID-19 Coronavirus Relief Fund	21.019	None provided	22,456
COVID-19 Coronavirus Relief Fund	21.019	None provided	<u>51,515</u>
Total U.S. Department of the Treasury			<u>89,055</u>
U.S. Department of Housing and Urban Development			
Fair Housing Initiative Project	14.408		<u>310,534</u>
Total U.S. Department of Housing and Urban Development			<u>310,534</u>
Total Federal Financial Assistance			<u>\$ 2,068,420</u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Disability Law Center (the Organization) under programs of the federal government for the year ended September 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Disability Law Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Disability Law Center.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 – Indirect Cost Rate

The Organization has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major program:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Protection and Advocacy for Individuals with Mental Illness	93.138
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

No findings to report.

Section III – Federal Award Findings and Questioned Costs

No findings to report.