

## **Pennsylvania Health Law Project**

Financial Statements and  
Supplementary Information

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

**MaherDuessel**

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# PENNSYLVANIA HEALTH LAW PROJECT

YEARS ENDED JUNE 30, 2024 AND 2023

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## Independent Auditor's Report

**Board of Directors  
Pennsylvania Health Law Project**

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of the Pennsylvania Health Law Project (PHLP), which comprise the statement 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 PHLP 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 the PHLP, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of 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 the PHLP'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 PHLP'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 PHLP'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 3, 2024 on our consideration of the PHLP'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 PHLP'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 PHLP's internal control over financial reporting and compliance.

*Maher Duessel*

Harrisburg, Pennsylvania  
October 3, 2024

# PENNSYLVANIA HEALTH LAW PROJECT

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,621,677	\$ 1,734,273
Accounts receivable:		
Developmental Disabilities Planning Council	26,975	-
Pennsylvania Legal Aid Network	207,137	67,727
Other	55,921	62,500
Prepaid expenses	14,921	36,823
Security deposits	8,373	12,096
<b>Total Assets</b>	<b><u>\$ 1,935,004</u></b>	<b><u>\$ 1,913,419</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 51,189	\$ 27,230
Accrued compensated absences	44,895	41,108
Payroll taxes and withholdings	4,641	11,114
Refundable advances	24,880	43,976
Total Liabilities	<u>125,605</u>	<u>123,428</u>
Net assets:		
Without donor restrictions	<u>1,809,399</u>	<u>1,789,991</u>
Total Net Assets	<u>1,809,399</u>	<u>1,789,991</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,935,004</u></b>	<b><u>\$ 1,913,419</u></b>

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

# PENNSYLVANIA HEALTH LAW PROJECT

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Revenues and Other Support:</b>						
Contracts and grants	\$ 1,589,072	\$ -	\$ 1,589,072	\$ 1,572,284	\$ -	\$ 1,572,284
Contributions	248,236	-	248,236	184,415	-	184,415
Other income	4,599	-	4,599	6,233	-	6,233
Interest income	82	-	82	83	-	83
Net assets released from restrictions	-	-	-	-	-	-
Total revenues and other support	1,841,989	-	1,841,989	1,763,015	-	1,763,015
<b>Expenses:</b>						
Program services	1,588,240	-	1,588,240	1,662,951	-	1,662,951
Management and general	170,145	-	170,145	171,937	-	171,937
Fundraising	64,196	-	64,196	53,577	-	53,577
Total expenses	1,822,581	-	1,822,581	1,888,465	-	1,888,465
<b>Change in Net Assets</b>	19,408	-	19,408	(125,450)	-	(125,450)
<b>Net Assets:</b>						
Beginning of year	1,789,991	-	1,789,991	1,915,441	-	1,915,441
End of year	\$ 1,809,399	\$ -	\$ 1,809,399	\$ 1,789,991	\$ -	\$ 1,789,991

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

# PENNSYLVANIA HEALTH LAW PROJECT

## STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2024</u>
Salaries	\$ 1,064,696	\$ 57,068	\$ 35,731	\$ 1,157,495
Fringe benefits	398,537	21,473	13,438	433,448
Consultants and contractors	560	67,909	1,314	69,783
Travel	8,236	4,335	-	12,571
Space costs	69,236	3,711	2,323	75,270
Consumable supplies	2,379	128	79	2,586
Equipment related expense	14,293	766	479	15,538
Other	30,303	14,755	10,832	55,890
Total expenses	<u>\$ 1,588,240</u>	<u>\$ 170,145</u>	<u>\$ 64,196</u>	<u>\$ 1,822,581</u>

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2023</u>
Salaries	\$ 1,108,600	\$ 57,016	\$ 27,907	\$ 1,193,523
Fringe benefits	396,621	20,399	9,984	427,004
Consultants and contractors	11,201	69,397	4,140	84,738
Travel	3,741	3,364	-	7,105
Space costs	91,780	4,721	2,310	98,811
Consumable supplies	1,732	89	44	1,865
Equipment related expense	12,974	668	326	13,968
Other	36,302	16,283	8,866	61,451
Total expenses	<u>\$ 1,662,951</u>	<u>\$ 171,937</u>	<u>\$ 53,577</u>	<u>\$ 1,888,465</u>

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



# PENNSYLVANIA HEALTH LAW PROJECT

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 19,408	\$ (125,450)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
(Increase) decrease in:		
Accounts receivable	(159,806)	103,675
Prepaid expenses	21,902	(13,301)
Security deposits	3,723	-
Increase (decrease) in:		
Accounts payable and accrued expenses	23,959	(162,917)
Accrued compensated absences	3,787	4,224
Payroll taxes and withholdings	(6,473)	9,285
Refundable advances	(19,096)	(44,284)
	(112,596)	(228,768)
Net cash and cash equivalents provided by (used in) operating activities	(112,596)	(228,768)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(112,596)	(228,768)
<b>Cash and Cash Equivalents:</b>		
Beginning of year	1,734,273	1,963,041
End of year	\$ 1,621,677	\$ 1,734,273

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

# PENNSYLVANIA HEALTH LAW PROJECT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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### 1. Organization

Pennsylvania Health Law Project (PHLP) is a Pennsylvania nonprofit corporation that was formed and is operated for the sole charitable purpose of providing free civil legal services in the area of health law to indigent persons otherwise financially incapable of obtaining such services. PHLP is financially supported by governmental grants and contracts, foundations, and funding from Pennsylvania Interest on Lawyers' Trust Account (PA IOLTA).

PHLP protects and advances the health rights of low-income and underserved individuals. PHLP provides free legal services to Pennsylvanians seeking health coverage and to recipients already in Pennsylvania's publicly financed health care programs who are having problems accessing services. These include Medicaid (also called Medical Assistance), the Children's Health Insurance Program (CHIP), and Medicare. To qualify for free legal services from PHLP, clients must meet the low-income eligibility guidelines provided by the Pennsylvania Department of Human Services for use by all legal services programs in the Commonwealth of Pennsylvania. Unlike some other Pennsylvania Legal Aid Network (PLAN) Programs, PHLP also serves clients with income above 125 percent of the Federal Poverty Level who have been denied coverage or services from state-funded health care programs.

PHLP provides free legal representation in health law cases either by directly representing a client or by co-counseling with other legal service programs or other 501(c)(3) tax-exempt organizations that do not bill clients for legal representation and that have the identical charitable purpose of providing legal services to those financially incapable of obtaining such services.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of PHLP have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### Basis of Presentation

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

# PENNSYLVANIA HEALTH LAW PROJECT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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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 PHLP and/or the passage of time or maintained permanently by PHLP.

### 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 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.

### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, PHLP considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### Accounts Receivable

Contracts and grants receivable, which include PLAN receivables, are for expenses incurred prior to the fiscal year-end that have not yet been reimbursed from the funding agency. No allowance for uncollectible contracts and grants receivable is deemed necessary.

For receivables relating to providing services, management has considered factors impacting the need for an allowance for credit losses given historical experience, current conditions, as well as reasonable and supportable forecasts, and has determined the ending allowance estimate or any adjustment to the allowance, would be immaterial to the financial statements at June 30, 2024 and 2023.

### Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

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# PENNSYLVANIA HEALTH LAW PROJECT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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### Accrued Compensated Absences

Employees are permitted to carry over a pre-determined maximum amount of unused vacation and personal leave from one fiscal year to the next. At an employee's termination of employment (voluntary or involuntary), final paychecks, including accrued vacation leave pay, will be issued up to predetermined maximum, provided that proper notice is given, cases are in proper order, and PHLP property has been returned.

### Contracts, Grants and Refundable Advances

Conditional contributions 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 restriction expires 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 statement of activities as net assets released from restrictions.

### Contributed Nonfinancial Assets

Nonfinancial contributions are recorded at fair market value at the time of receipt. These contributions are recognized as both revenue and expense in the Statement of Activities. Only those contributed services that create or enhance non-financial assets, require specialized skills, and are provided by such individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recognized in the financial statements. Contributed services totaled zero for the years ended June 30, 2024 and 2023.

### Expense Allocation

The costs of providing the legal services program 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 among program and support services benefited.

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# PENNSYLVANIA HEALTH LAW PROJECT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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PHLP allocates expenses among PLAN and other funding sources. The expense allocation among funding sources is made based on annualized budgetary revenue relationships and specific identification. The funding source expense allocation is summarized in the Schedule of Revenues and Other Support, Expenses, and Changes in Net Assets by Primary Funding Sources, included as supplementary information.

### Income Tax Status

PHLP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and from Commonwealth of Pennsylvania corporate taxes. In addition, PHLP qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). PHLP annually files a Form 990.

### 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.

## 3. Refundable Advances

PHLP's refundable advances as of June 30, are as follows:

	2024	2023
Developmental Disabilities Council	\$ -	\$ 39,096
The Foundation for Enhancing Communities	20,000	-
Other	4,880	4,880
	<u>\$ 24,880</u>	<u>\$ 43,976</u>

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

Access to Justice Act and IOLTA funding permit a 10% carryover of current funding to the next fiscal year. The recipient may request a written waiver to carry over more than 10% of these funds. No waiver was requested by PHLP or granted by IOLTA for the year that ended June 30, 2024 and 2023. Actual carry over for the years ended June 30, 2024 and 2023 was 0% of Access to Justice Act and IOLTA funding.

# PENNSYLVANIA HEALTH LAW PROJECT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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### 4. Leases

PHLP leases office facilities in Philadelphia, Harrisburg, and Pittsburgh, Pennsylvania.

In May 2008, the Philadelphia office entered into a lease beginning on July 26, 2008 for a five-year period. In May 2013, the lease was extended for two additional years. In July 2015, the lease was extended for another two years. From August 2017 to March 2019, the lease continued on a month-to-month basis for \$4,639 per month. In April 2019, the lease was extended to July 31, 2021, starting at \$57,171 for the first year, and then increasing to \$60,180. The lease was extended through July 31, 2022. On August 1, 2022, the lease was extended at \$5,140 per month through July 31, 2023. On August 1, 2023, the lease was extended for another year at the same rate.

The Pittsburgh office sublets space from a funder at a rate of \$851 per month through March 31, 2010. This lease continued on a month-to-month basis until it was renewed through July 30, 2016 at a rate of \$1,225 per month. Beginning on August 1, 2016, the Pittsburgh office entered into a new lease for a five-year period at a rate of \$1,861 per month. On August 1, 2021, the Pittsburgh office entered into a new lease that can be renewed annually at a rate of \$1,768 per month. On August 1, 2022, the lease was renewed at \$1,768 per month through July 31, 2023. On August 1, 2023, PHLP leased office space with Community Justice Project (CJP) on a month-to-month basis at a rate of \$350 per month.

During the year end June 30, 2022, PHLP leased office facilities in Harrisburg, Pennsylvania. The Harrisburg office entered into a lease with PLAN, beginning on December 1, 2014, at a rate of \$400 per month through June 30, 2015, and \$800 per month from July 1, 2015 through November 30, 2015. This lease continued on a month-to-month basis for \$800 per month until July 2022 when PHLP ended the Harrisburg lease with PLAN.

Rent expense incurred for the years ended June 30, 2024 and 2023 was \$67,403 and \$83,580, respectively.

PHLP also has operating leases for copiers. Equipment operating lease payments totaled \$1,472 and \$4,117 for the years ended June 30, 2024 and 2023, respectively.

# PENNSYLVANIA HEALTH LAW PROJECT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 5,140
Total	<u>\$ 5,140</u>

### 5. Funding

During the years ended June 30, 2024 and 2023, approximately 89% and 90%, respectively, of PHLP's funding was provided by PLAN, PA IOLTA, and Commonwealth of Pennsylvania Developmental Disabilities Council (DDC).

### 6. Retirement Plan

PHLP offers a 403(b) Plan for its employees. All employees are eligible to make contributions under the Plan. A percentage of an eligible employee's gross wages is contributed to the plan by PHLP. Employer contributions are made at the discretion of the Executive Director and Board of Directors. PHLP contributed \$62,979 and \$60,298 to the Plan during the year ended June 30, 2024 and 2023, respectively.

### 7. Concentrations of Credit Risk

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

### 8. Line of Credit

PHLP has an unsecured line of credit of \$200,000 at prime plus 0.25%. The line of credit expires on November 26, 2025. There was no balance on the line of credit at June 30, 2024 and 2023.

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# PENNSYLVANIA HEALTH LAW PROJECT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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### 9. Commitment and Contingencies

Grants received are subject to audit and adjustment by grantor agencies, principally PLAN and DDC. 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 PHLP expects such amounts, if any, to be immaterial.

### 10. Related Party Transactions

A Co-Executive Director of PHLP serves on the Board of Directors for BAYADA Hearts for Home Care. The Hearts for Home Care arm of BAYADA is a separate entity. During the years ended June 30, 2024 and 2023 financial support of \$125,000 and \$125,000, respectively, was received from BAYADA.

### 11. Liquidity and Availability

PHLP's goal is to maintain financial assets on hand to fund 90 days of normal operating expenses. As part of PHLP's liquidity policy, its financial assets are managed to be available as necessary to fund its general expenses and the discharge of its liabilities and other obligations as they become due. To effectuate such a policy, including to provide for the possibility that unanticipated liquidity requirements might arise, PHLP has established a line of credit in the amount of \$200,000 as described in Note 10.

The following reflects PHLP's financial assets as of June 30, 2024 and 2023 expected to be available within one year to meet the cash needs for general expenses are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,621,677	\$ 1,734,273
Accounts receivable	290,033	130,227
	<u>\$ 1,911,710</u>	<u>\$ 1,864,500</u>



## **SUPPLEMENTARY INFORMATION**

# PENNSYLVANIA HEALTH LAW PROJECT

## SCHEDULE OF REVENUES AND OTHER SUPPORT, EXPENSES, AND CHANGES IN NET ASSETS BY PRIMARY FUNDING SOURCES

YEAR ENDED JUNE 30, 2024  
(with comparative totals for year ended June 30, 2023)

	Pennsylvania Legal Aid Network									Totals	
	Federal Title XX	State	State Over Limit	State Managed Care	IOLTA	Access to Justice Funds	Total	PA IOLTA Special Grant	Other		
	<b>Revenues and Other Support:</b>										
Contracts and grants	\$ 111,773	\$ 85,524	\$ 121,250	\$ 510,000	\$ 196,555	\$ 268,511	\$ 1,293,613	\$ 84,450	\$ 211,009	\$ 1,589,072	\$ 1,572,284
Contributions	-	-	-	-	-	-	-	-	248,236	248,236	184,415
Other income	-	-	-	-	-	-	-	-	4,599	4,599	6,233
Interest income	-	-	-	-	5	13	18	2	62	82	83
Total revenues and other support	<u>111,773</u>	<u>85,524</u>	<u>121,250</u>	<u>510,000</u>	<u>196,560</u>	<u>268,524</u>	<u>1,293,631</u>	<u>84,452</u>	<u>463,906</u>	<u>1,841,989</u>	<u>1,763,015</u>
<b>Expenses:</b>											
Salaries:											
Attorneys	46,199	35,350	50,117	193,468	69,342	98,107	492,583	34,046	168,080	694,709	722,797
Paralegals	20,687	15,829	22,441	114,496	47,894	60,336	281,683	26,913	87,802	396,398	400,893
Support	7,062	5,403	7,661	4,391	4,202	10,773	39,492	-	16,396	55,888	57,833
Law student	893	683	968	2,781	746	1,771	7,842	464	2,194	10,500	12,000
Total salaries	<u>74,841</u>	<u>57,265</u>	<u>81,187</u>	<u>315,136</u>	<u>122,184</u>	<u>170,987</u>	<u>821,600</u>	<u>61,423</u>	<u>274,472</u>	<u>1,157,495</u>	<u>1,193,523</u>
Fringe benefits:											
Payroll taxes	5,820	4,453	6,314	30,177	11,144	14,667	72,575	5,342	22,871	100,788	102,597
Health and dental insurance	12,903	9,873	13,997	67,957	25,010	32,772	162,512	503	64,436	227,451	230,808
Life, accident, and disability insurance	1,247	955	1,353	6,489	2,395	3,149	15,588	1,149	4,947	21,684	26,712
Workers' compensation	114	87	123	606	223	291	1,444	108	481	2,033	2,640
Loan repayment	802	614	870	5,377	1,888	2,316	11,867	981	5,665	18,513	3,949
Retirement	3,621	2,771	3,928	18,848	6,954	9,143	45,265	3,338	14,376	62,979	60,298
Total fringe benefits	<u>24,507</u>	<u>18,753</u>	<u>26,585</u>	<u>129,454</u>	<u>47,614</u>	<u>62,338</u>	<u>309,251</u>	<u>11,421</u>	<u>112,776</u>	<u>433,448</u>	<u>427,004</u>
Consultants and contractors:											
Auditing	-	-	-	-	2,669	3,647	6,316	-	3,377	9,693	9,645
Accounting and payroll	1,611	1,232	1,747	7,772	2,916	3,918	19,196	1,362	5,135	25,693	26,415
Consultants - other	2,160	1,653	2,343	10,407	3,906	5,251	25,720	1,746	6,931	34,397	48,678
Total consultants and contractors	<u>3,771</u>	<u>2,885</u>	<u>4,090</u>	<u>18,179</u>	<u>9,491</u>	<u>12,816</u>	<u>51,232</u>	<u>3,108</u>	<u>15,443</u>	<u>69,783</u>	<u>84,738</u>
Travel:											
Local	97	74	105	466	175	235	1,152	82	307	1,541	2,924
Non-local	453	346	491	3,188	1,110	1,345	6,933	585	3,512	11,030	4,116
Total travel	<u>550</u>	<u>420</u>	<u>596</u>	<u>3,654</u>	<u>1,285</u>	<u>1,580</u>	<u>8,085</u>	<u>667</u>	<u>3,819</u>	<u>12,571</u>	<u>7,040</u>

(Continued)

# PENNSYLVANIA HEALTH LAW PROJECT

## SCHEDULE OF REVENUES AND OTHER SUPPORT, EXPENSES, AND CHANGES IN NET ASSETS BY PRIMARY FUNDING SOURCES

YEAR ENDED JUNE 30, 2024

(with comparative totals for year ended June 30, 2023)

(Continued)

	Pennsylvania Legal Aid Network							PA IOLTA Special Grant	Other	Totals	
	Federal Title XX	State	State Over Limit	State Managed Care	IOLTA	Access to Justice Funds	Total			2024	2023
	<b>Expenses (Continued):</b>										
Space costs:											
Rent and parking	4,073	3,117	4,418	20,293	7,560	10,065	49,526	3,572	14,305	67,403	83,580
Utilities	350	268	380	1,798	665	878	4,339	318	1,338	5,995	11,240
Office maintenance	108	83	117	561	207	272	1,348	99	425	1,872	3,991
Total space costs	<u>4,531</u>	<u>3,468</u>	<u>4,915</u>	<u>22,652</u>	<u>8,432</u>	<u>11,215</u>	<u>55,213</u>	<u>3,989</u>	<u>16,068</u>	<u>75,270</u>	<u>98,811</u>
Office supplies	70	53	76	725	239	264	1,427	136	1,023	2,586	1,865
Equipment related expense:											
Equipment purchased	79	60	86	723	242	275	1,465	136	956	2,557	-
Equipment leased	25	19	27	504	-	-	575	-	897	1,472	4,117
Equipment and software expense	491	376	532	3,338	1,169	1,429	7,335	610	3,564	11,509	9,851
Total equipment related expense	<u>595</u>	<u>455</u>	<u>645</u>	<u>4,565</u>	<u>1,411</u>	<u>1,704</u>	<u>9,375</u>	<u>746</u>	<u>5,417</u>	<u>15,538</u>	<u>13,968</u>
Other:											
Insurance and bonding	676	517	733	3,262	1,224	1,645	8,057	572	2,156	10,785	12,515
Printing and copying	-	-	-	-	-	-	-	-	-	-	-
Dues	289	221	314	1,395	523	703	3,445	244	923	4,612	4,469
Training and seminars	216	165	234	1,040	390	525	2,570	182	687	3,439	469
Advertising	28	22	31	137	52	69	339	24	91	454	24
Meetings	40	31	44	640	373	349	1,477	243	2,856	4,576	8,622
Periodicals	86	66	94	416	156	210	1,028	73	275	1,376	2,705
Telephone	593	453	643	4,016	1,407	1,722	8,834	734	4,275	13,843	14,195
Connectivity	211	161	229	1,017	382	513	2,513	178	673	3,364	2,814
Postage and freight	124	95	135	600	225	302	1,481	105	397	1,983	4,902
Development	588	450	638	2,837	1,064	1,430	7,007	497	1,873	9,377	8,249
Bank charges	57	44	61	275	108	152	697	48	164	909	2,424
Miscellaneous	-	-	-	-	-	-	-	62	1,110	1,172	128
Total other	<u>2,908</u>	<u>2,225</u>	<u>3,156</u>	<u>15,635</u>	<u>5,904</u>	<u>7,620</u>	<u>37,448</u>	<u>2,962</u>	<u>15,480</u>	<u>55,890</u>	<u>61,516</u>
Total expenses	<u>111,773</u>	<u>85,524</u>	<u>121,250</u>	<u>510,000</u>	<u>196,560</u>	<u>268,524</u>	<u>1,293,631</u>	<u>84,452</u>	<u>444,498</u>	<u>1,822,581</u>	<u>1,888,465</u>
<b>Change in Net Assets</b>	-	-	-	-	-	-	-	-	19,408	19,408	(125,450)
<b>Net Assets:</b>											
Beginning of year	-	-	-	-	-	-	-	-	1,789,991	1,789,991	1,915,441
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,809,399</u>	<u>\$1,809,399</u>	<u>\$ 1,789,991</u>
<b>Acquisition of Property</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

# **Pennsylvania Health Law Project**

Independent Auditor's Report  
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  
Pennsylvania Health law Project**

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 Pennsylvania Health law Project (PHLP), 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 3, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the PHLP’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 the PHLP’s internal control. Accordingly, we do not express an opinion on the effectiveness of the PHLP’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 PHLP’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 were not identified.

Board of Directors  
Pennsylvania Health Law Project  
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 the PHLP’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 the PHLP’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PHLP’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maher Duessel*

Harrisburg, Pennsylvania  
October 3, 2024