



**Real Attorneys
Professional Defenders**

ASSIGNED COUNSEL PROGRAM

Michelle Parker, Executive Director

The Brisbane Building
403 Main Street, Suite 215
Buffalo, NY 14203

Phone (716) 856-8804
Fax (716) 856-0424

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Officers 2025-2026

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President

Rachel Saeli
Vice President

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John R. Nucheren
Center for Legal Excellence

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Deputy for Child Welfare

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Mission Statement

We strive to help those who cannot help themselves; who face steep odds against the power of the State; and who struggle with poverty, mental issues, helplessness, and dread. We save lives and we save families. We are the first line of defense for the freedoms granted to us by the U.S. Constitution and the Bill of Rights.

August 8, 2025

Sent via email; hard copy mailed

Mark Cornell
Director, Budget & Management
Erie County Division of Budget & Management
1603 Rath Building
95 Franklin Street
Buffalo, NY 14202

Dear Mr. Cornell,

I enclose for your reference a copy of our 2024 financial statements, prepared by an independent auditor. There was no need for a management letter, so none was provided.

I also enclose a detailed explanation from the auditor of the calculation of the amount due to the County of Erie. The amount owed back is \$2,781,271. As discussed in our email which I have also attached for reference, please credit the \$2,781,271 from our third quarterly payment from the County.

Finally, I enclose a copy of the independent auditor's Report on Applying Agreed-Upon Procedures for the past year.

Please feel free to contact me if you have any questions,

Very truly yours,

Michelle Parker
Executive Director/Chief Defender

MP:hpk

Encs.

cc: Olivia Owens, Clerk of the Erie County Legislature
cc: Hope Keilman, CFO

August 6, 2025

Ms. Michelle Parker
Director/Chief Defender
Erie County Bar Association Aid to
Indigent Prisoners Society, Inc.
The Brisbane Building
403 Main Street, Suite 215
Buffalo, New York 14203

Dear Ms. Parker:

The following is the detail for the calculation of funds due to the County of Erie as reported in the Society's financial statements as of December 31, 2024. Note 4 to the financial statements reported the following:

Amounts returnable to the County of Erie from 2023	\$ (3,260,301)
Prior year receivable for State Aid to Defense Program	(104,484)
Amounts received from prior year receivable for State Aid to Defense Program	104,484
Amount reserved by the County of Erie in excess of future obligations of the Society for 2024	(2,781,271)
Amount withheld by the County of Erie during 2024	<u>3,260,301</u>
Total amount due to the County of Erie	\$ <u>(2,781,271)</u>

The total cash receipts received by the Society from the County of Erie amounted to \$17,062,132. The total expenses for the contract, for the year ended December 31, 2024, were as follows:

Program Services - Aid to Indigent Prisoners Program	\$ 17,186,084
Management and general	<u>362,818</u>
Total contract expenses	17,548,902
Add - fixed asset additions not paid with donor restricted funds	-
Less - depreciation and amortization	<u>(7,740)</u>
Net contract expenses	\$ <u>17,541,162</u>
Net contract expenses	17,541,162
Less - amount withheld from 2024 payment for 2023 excess funds	(3,260,301)
Less - grant cash receipts	<u>(17,062,132)</u>
Total due to the County of Erie (as reported in Note 4 of the audited financial statements)	\$ <u>(2,781,271)</u>

Ms. Michelle Parker
August 6, 2025
Page 2

Please call me if you have any questions.

Very truly yours,

EFPR GROUP, CPAs, PLLC

A handwritten signature in cursive script that reads "Jennifer Kiblin".

Jennifer Kiblin, CPA
Partner

DEZ:jk

Hope Keilman

From: Cornell, Mark <Mark.Cornell@erie.gov>
Sent: Tuesday, July 29, 2025 1:46 PM
To: Michelle Parker; Walder, Kristen; Toth, Jeremy
Cc: Hope Keilman; Cathcart, Robert
Subject: RE: 2024 Indigent Defense -- Amount Returnable to Erie County
Attachments: RE: Money owed back to Erie County for 2023

Thanks Michelle:

As was the case last year, if you would prefer the refund to be reconciled via a credit memo against your 3rd quarter 2025 payment please note as such in the cover letter to your audited financials when those are complete/ready to be disseminated. I've attached the chain from last year for reference.

Once we get that, Robert, in the Law Dept, can credit memo same as last year.

Doc. Type :	KG	Vendor credit memo	Normal document
Parked by	CATHCAR2	Posted by	MCPEELYE
Doc. Number	1720004362	Company Code	1000
Doc. Date	08/19/2024	Posting Date	08/22/2024
Calculate Tax	☐	Fiscal Year	2024
Ref.Doc.	2023ACPREFUND	Period	03
Doc. Currency	USD		

Item	PK	Account	Account short text	Assignment	Amount	Bus	Cost	Ct	Fun	Func	Grant	Text
1	21	100845	ERIE COUNTY BAR ASSO	2023ACPREFUND	3,260,301.00	160						ECBA 2023 ACP Surplus Reimbur
2	50	423000	REFUNDS P/Y EXPENSES	20240822	3,260,301.00-	160	1601040	110	92701		NOT RELEVANT	ECBA 2023 Indigent Legal Surp
					0.00							

Mark Cornell | Budget Director
Erie County | Division of Budget & Management
95 Franklin St., Room 1605 | Buffalo, NY 14202
P:+1(716)858-2920 | F:+1(716)858-8837
Mark.Cornell@erie.gov | <http://www.erie.gov/budget>

From: Michelle Parker <mparker@assigned.org>
Sent: Tuesday, July 29, 2025 1:18 PM
To: Cornell, Mark <Mark.Cornell@erie.gov>; Walder, Kristen <Kristen.Walder@erie.gov>; Toth, Jeremy <Jeremy.Toth@erie.gov>
Cc: Hope Keilman <hope.keilman@assigned.org>
Subject: 2024 Indigent Defense -- Amount Returnable to Erie County

[Caution: this email is **not** from an Erie County employee: attachments or links **may not be safe.**]

Hi Mark, Kristen, and Jeremy –

We have our draft financials from the annual audit for 2024; awaiting our Board's review before it will be finalized.

This is to let you know that the 2024 amount returnable to Erie County will be \$2,781,281.

We will continue to be in touch -- MMP

Michelle Parker (she/her)

Executive Director/Chief Defender, Assigned Counsel Program
Erie County Bar Association's Aid To Indigent Prisoners Society, Inc.
403 Main Street - Suite 215, Brisbane Building, Buffalo NY 14203
716.856.8804; Fax: 716.856.0424; mparker@assigned.org

Sometimes I choose to send email outside of typical office hours.

Please note that I do not expect a response outside of your work hours.



I took the pledge to



Challenge Disparity.
Build Diversity.

Bar Association of Erie County: Member Assistance Program

- Get help from partners in problem solving at 716-681-4300
- All calls are confidential.

From: Cornell, Mark <Mark.Cornell@erie.gov>

Sent: Thursday, August 3, 2023 12:37 PM

To: Michelle Parker <mparker@assigned.org>

Cc: Hope Keilman <hope.keilman@assigned.org>; Keating, Robert <Robert.Keating@erie.gov>; Walder, Kristen <Kristen.Walder@erie.gov>

Subject: 2024 Indigent Defense Fund Budget Submission

Michelle:

Attached please find the 2024 Budget Document for the Indigent Defense Fund. Hard copies will be put in the mail as well. We're asking for a September 1st return date.

In the meantime, please let me know if you have any questions and I'll be happy to assist.

Mark Cornell | Deputy Budget Director
Erie County | Division of Budget & Management
95 Franklin St., Room 1605 | Buffalo, NY 14202
P: +1(716)858-2920 | F: +1(716)858-8837
Mark.Cornell@erie.gov | <http://www.erie.gov/budget>

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS
SOCIETY, INC.

Financial Statements

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Erie County Bar Association Aid to
Indigent Prisoners Society, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Erie County Bar Association Aid to Indigent Prisoners Society, Inc. (the Society) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Erie County Bar Association Aid to Indigent Prisoners Society, Inc. as of December 31, 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 the 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society 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 opinions.

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 Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 audits.
- 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 audits 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 Society'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 Society'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 audits.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 6, 2025, on our consideration of the Society'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 Society'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 Society's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
August 6, 2025

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Statements of Financial Position
December 31, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and equivalents	\$ 9,125,333	9,261,883
Grants receivable	6,510,338	4,701,238
Prepaid expenses	24,211	24,211
Total current assets	<u>15,659,882</u>	<u>13,987,332</u>
Right-of-use asset - operating lease	1,011,634	1,170,876
Furniture and equipment, at cost	414,081	400,232
Less accumulated depreciation	<u>(343,858)</u>	<u>(311,666)</u>
Net furniture and equipment	<u>70,223</u>	<u>88,566</u>
Total assets	<u>\$ 16,741,739</u>	<u>15,246,774</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	11,819,140	9,934,211
Due to the County of Erie	2,781,271	3,260,301
Accrued expenses	293,764	236,406
Deferred revenue	65,217	125,159
Current installments of operating lease liabilities	<u>186,723</u>	<u>159,242</u>
Total current liabilities	15,146,115	13,715,319
Operating lease, net of current installments	<u>824,911</u>	<u>1,011,634</u>
Total liabilities	<u>15,971,026</u>	<u>14,726,953</u>
Net assets:		
Without donor restrictions	756,978	494,332
With donor restrictions	<u>13,735</u>	<u>25,489</u>
Total net assets	<u>770,713</u>	<u>519,821</u>
Contingency (note 11)	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 16,741,739</u>	<u>15,246,774</u>

See accompanying notes to financial statements.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Statements of Activities
Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue:		
County of Erie:		
Aid to Indigent Prisoners Program	\$ 17,541,162	14,320,937
State Aid to Defense Program	104,484	104,484
Indigent Legal Services	<u>10,009,064</u>	<u>6,732,562</u>
Total County of Erie	27,654,710	21,157,983
Other grants	310,571	219,029
Interest	282,513	98,708
Net assets released from donor restrictions	<u>29,512</u>	<u>3,333</u>
Total revenue	<u>28,277,306</u>	<u>21,479,053</u>
Expenses:		
Program services:		
Legal services	26,719,367	20,178,187
Supplemental programs	<u>5,617</u>	<u>-</u>
Total program services	26,724,984	20,178,187
Management and general	<u>1,289,676</u>	<u>1,233,886</u>
Total expenses	<u>28,014,660</u>	<u>21,412,073</u>
Change in net assets without donor restrictions	<u>262,646</u>	<u>66,980</u>
Change in net assets with donor restrictions:		
Revenue	17,758	9,670
Net assets released from donor restrictions	<u>(29,512)</u>	<u>(3,333)</u>
Change in net assets with donor restrictions	<u>(11,754)</u>	<u>6,337</u>
Total change in net assets	250,892	73,317
Net assets at beginning of year	<u>519,821</u>	<u>446,504</u>
Net assets at end of year	<u>\$ 770,713</u>	<u>519,821</u>

See accompanying notes to financial statements.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.

Statements of Functional Expenses

Year ended December 31, 2024

with comparative totals for 2023

	<u>Program Services</u>			<u>Management and general</u>
	<u>Legal services</u>	<u>Supplemental programs</u>	<u>Total program services</u>	
Legal:				
Attorney fees	\$ 22,258,081	-	22,258,081	-
Experts, investigative and transcript fees	454,191	-	454,191	-
Total legal	22,712,272	-	22,712,272	-
Salaries	2,419,317	-	2,419,317	806,439
Payroll taxes and employee benefits	807,173	-	807,173	269,058
Temporary help	17,502	-	17,502	5,834
Insurance	19,296	-	19,296	6,432
Rent	173,610	-	173,610	57,870
Reproduction	5,813	-	5,813	1,937
Professional fees	200,432	-	200,432	66,810
Attorney recognition	-	5,617	5,617	-
Office expenses	19,829	-	19,829	6,610
Minor equipment	62,761	-	62,761	20,920
Postage	6,035	-	6,035	2,011
Telephone	29,740	-	29,740	9,913
Training	113,040	-	113,040	-
Legal publications	25,021	-	25,021	-
Depreciation	24,144	-	24,144	8,048
Miscellaneous	83,382	-	83,382	27,794
Total expenses	<u>\$ 26,719,367</u>	<u>5,617</u>	<u>26,724,984</u>	<u>1,289,676</u>

See accompanying notes to financial statements.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Statements of Functional Expenses
Year ended December 31, 2023

	<u>Program Services</u>			Manag
	<u>Legal services</u>	<u>Supplemental programs</u>	<u>Total program services</u>	<u>an gen</u>
Legal:				
Attorney fees	\$ 15,944,747	-	15,944,747	
Experts, investigative and transcript fees	414,895	-	414,895	
Total legal	16,359,642	-	16,359,642	
Salaries	2,347,449	-	2,347,449	78
Payroll taxes and employee benefits	766,835	-	766,835	25
Temporary help	15,955	-	15,955	
Insurance	16,160	-	16,160	
Rent	168,159	-	168,159	5
Reproduction	6,855	-	6,855	
Professional fees	160,852	-	160,852	5
Office expenses	18,950	-	18,950	
Minor equipment	63,775	-	63,775	2
Postage	2,735	-	2,735	
Telephone	29,633	-	29,633	
Training	82,301	-	82,301	
Legal publications	34,577	-	34,577	
Depreciation	26,323	-	26,323	
Miscellaneous	77,986	-	77,986	2
Total expenses	<u>\$ 20,178,187</u>	<u>-</u>	<u>20,178,187</u>	<u>1,23</u>

See accompanying notes to financial statements.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Statements of Cash Flows
Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 250,892	73,317
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,192	35,097
Changes in:		
Grants receivable	(1,809,100)	(225,806)
Accounts payable	1,884,929	2,558,328
Due to the County of Erie	(479,030)	3,260,301
Accrued expenses	57,358	41,909
Deferred revenue	<u>(59,942)</u>	<u>50,159</u>
Net cash provided by (used in) operating activities	<u>(122,701)</u>	<u>5,793,305</u>
Cash flows from investing activities - additions to furniture and equipment	<u>(13,849)</u>	<u>(11,256)</u>
Net change in cash and equivalents	(136,550)	5,782,049
Cash and equivalents at beginning of year	<u>9,261,883</u>	<u>3,479,834</u>
Cash and equivalents at end of year	<u>\$ 9,125,333</u>	<u>9,261,883</u>
Supplemental schedule of cash flow information - cash paid for amounts included in measurement of lease liability - operating lease payments	<u>\$ 159,242</u>	<u>152,349</u>

See accompanying notes to financial statements.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.

Notes to Financial Statements

December 31, 2024 and 2023

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Erie County Bar Association Aid to Indigent Prisoners Society, Inc. (the Society) was incorporated in 1962 as a nonprofit membership corporation administered under the Erie County Bar Association. The Society was formed to give legal assistance and provide representation in criminal matters to needy persons residing, or charged with a crime, within the County of Erie (the County), State of New York, in accordance with County Law, Section 722.

The Society is funded by three County programs: the Aid to Indigent Prisoners Program, State Aid to Defense Program, and Indigent Legal Services.

Funding for administrative and legal expenses is provided through annual agreements between the Society and the County.

(b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

The Society reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets of the Society and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Society's Board of Directors.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Society and/or the passage of time.

(d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(e) Cash and Equivalents

For purposes of reporting cash flows, cash and equivalents includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Concentration of Credit Risk

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash and cash equivalents accounts in financial institutions. The Society maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured limits (FDIC); however at the end of each day, funds are transferred to numerous banks in amounts less than the FDIC limits to ensure all funds are fully collateralized at the end of the day. At December 31, 2024 and 2023, the Society's cash and cash equivalents were fully collateralized.

(g) Capitalization and Depreciation

Property and equipment are recorded at cost. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities. The estimated useful life of assets are as follows:

Improvements	15 years
Furniture	7 years
Equipment	5 years

(h) Grants and Contributions

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statements of financial position as deferred revenue.

The Society is the recipient of grants that require expenditure for specified activities before the Society is reimbursed by the grantor for the costs incurred. Documentation showing actual costs expended is included when submitting reports for reimbursement. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as deferred revenue.

Contributions (including nonfinancial assets) that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Receivables and Credit Losses

The Society's receivables are primarily derived from grant income. At each statement of financial position date, the Society recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The allowance method is derived from a review of the Society's historical losses based on an aging of receivables. Historical losses have been consistent. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors. As a result, management has determined that no allowance for credit losses is necessary.

The Society writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in revenue. There were no write-offs for the years ended December 31, 2024 and 2023.

(j) Subsequent Events

The Society has evaluated subsequent events through the date of the accompanying report which is the date the financial statements were available to be issued.

(k) Income Taxes

The Society is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), therefore, no provision for income taxes is reflected in the financial statements. The Society has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the IRC. The Society presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Society has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Society are subject to examination by taxing authorities.

(2) Liquidity

The Society has \$15,635,671 of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures, consisting of \$9,125,333 of cash and equivalents and \$6,510,338 of grants receivable. Of these financial assets, \$13,735 are subject to donor or contractual restrictions for the attorney training program and attorney recognition. The remaining financial assets are for general expenditures within one year of the statements of financial position date.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Notes to Financial Statements, Continued

(3) Grants Receivable

The Society has grant contracts with the County of Erie for the State Aid to Defense Program (ATD), Indigent Legal Services (ILS), New York State Division of Criminal Justice Services (DCJS) and a contract with Niagara County. At December 31, 2024, the amount due to the Society amounted to \$6,510,338 (\$3,400 for DCJS and \$6,506,938 for ILS). At December 31, 2023, the amount due to the Society amounted to \$4,701,238 (\$104,484 for ATD, \$8,362 for DCJS, \$4,578,950 for ILS and \$9,442 for Niagara County). Grants receivable have been deemed fully collectible based on management's evaluation.

(4) Due to the County of Erie

The amount due to the County at December 31, 2024 and 2023 is summarized as follows:

	<u>2024</u>	<u>2023</u>
Amount returnable to the County to fund the future obligations of the Society	\$ (3,260,301)	-
Prior year receivable for State Aid to Defense Program	(104,484)	(104,484)
Amounts received from prior year receivable for State Aid to Defense Program	104,484	104,484
Current year receivable for State Aid to Defense Program	-	(104,484)
Amount withheld by County during 2024	3,260,301	-
Amount reserved by the County in excess of the future obligations of the Society	(2,781,271)	(3,260,301)
	(2,781,271)	(3,364,785)
Receivable for State Aid to Defense Program	<u>-</u>	<u>104,484</u>
Total due to the County	\$ (2,781,271)	(3,260,301)

(5) Accounts Payable

The Society's accounts payable balance is based partly on estimates of vouchers not submitted as of year-end, other accounts payable which consist of normal recurring trade payables and amounts due to attorneys for vouchers submitted. A summary of the two types of accounts payable at December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 4,489,707	2,992,062
Accounts payable - vouchers not submitted	<u>7,329,433</u>	<u>6,942,149</u>
Total accounts payable	\$ <u>11,819,140</u>	<u>9,934,211</u>

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Notes to Financial Statements, Continued

(5) Accounts Payable, Continued

The Society estimates the “accounts payable - vouchers not submitted” balance as follows:

- (a) A calculation is made of the historical average cost, over at least the past two years, of each case having a particular initial charge, using the most serious of multiple charges which may be pending against a client.
- (b) The average time for completion of cases with each such charge is calculated using the same information base.
- (c) The historical average cost for each charge, as calculated above, is applied to each unvouchered open case at year-end.
- (d) A percentage of completion is calculated for each outstanding voucher using the date of assignment of the outstanding voucher as compared to the average time of completion, as calculated above.
- (e) For each unvouchered open case at year-end, the historical average cost is multiplied by the percentage of completion. The sum of each of these calculations represents accounts payable for all cases for which the attorney has not yet submitted a voucher.

(6) Net Assets With Donor Restrictions

Net assets with donor restrictions amounted to \$13,735 and \$25,489 at December 31, 2024 and 2023, respectively, and consists of funds restricted for the attorney training program and the attorney recognition.

(7) Retirement Plans

The Society provides retirement benefits for employees through a tax deferred annuity plan and a simplified employee pension (SEP) plan. The tax deferred annuity plan is available to all employees and is funded through a salary reduction of the participating employee. The SEP plan includes all employees who work at least 20 hours per week and requires that the Society contribute 10% of the employees’ annual salary. Participants of both plans are fully vested from their first day of participation in the plans. Pension plan costs amounted to \$318,194 and \$306,308 for the years ended December 31, 2024 and 2023, respectively.

(8) Economic Dependency

Substantially all of the Society’s funding is dependent upon contracts with the County. The loss of these contracts would have a material adverse effect on the operations of the Society.

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Notes to Financial Statements, Continued

(9) Related Party Transactions

Certain members of the Board of Directors of the Society, who are attorneys, are also involved in providing services to the Society, through representation of assigned indigent prisoners, for which they receive payment consistent with the guidelines specified in the contracts with the County. Payments to these Board members amounted to \$1,093,299 and \$959,426 for the years ended December 31, 2024 and 2023, respectively.

(10) Right-of-Use Assets - Lease Liabilities

The Society leases building space for program services at 403 Main Street Buffalo, NY under an operating lease and has elected the practical expedient not to separate lease and nonlease components for all lease transactions. The lease includes options to extend the lease term. The Society only includes these options in the measurement of the lease assets and liabilities when it believes these options are reasonably certain of being exercised. The lease also contains variable lease payments, which the Society has elected to recognize when incurred. The lease provides for monthly payments of various amounts through December 31, 2029. The lease assets and liabilities were calculated using the risk-free discount rate at the later of lease inception or period of adoption, unless explicitly stated, in accordance with the Society's accounting policies. Additional information about the Society's lease is as follows:

	<u>2024</u>	<u>2023</u>
Lease expenses:		
Operating lease:		
Program services	\$ 152,250	152,250
Management and general	<u>50,750</u>	<u>50,750</u>
	<u>203,000</u>	<u>203,000</u>
Variable payments:		
Program services	21,360	15,909
Management and general	<u>7,120</u>	<u>5,303</u>
	<u>28,480</u>	<u>21,212</u>
Total lease expense	\$ <u>231,480</u>	<u>224,212</u>
Weighted Averages:		
Remaining lease term - operating lease	5.00 years	6.00 years
Discount rate - operating lease	4.11%	4.11%

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS SOCIETY, INC.
Notes to Financial Statements, Continued

(10) Right-of-Use Assets - Lease Liabilities. Continued

The aggregate maturity of the lease payments under ASC 842 for the five years following December 31, 2024 is as follows:

	<u>Operating</u>		
2025	\$ 223,299		
2026	223,299		
2027	223,299		
2028	223,299		
2029	<u>223,299</u>		
	1,116,495		
Less unamortized discount	<u>(104,861)</u>		
Total lease liability	\$ <u>1,011,634</u>		
	<u>2024</u>	<u>2023</u>	
Lease liability:			
Operating lease:			
Current installments	\$ 186,723	159,242	
Noncurrent installments	<u>824,911</u>	<u>1,011,634</u>	
Total lease liability	\$ <u>1,011,634</u>	<u>1,170,876</u>	

(11) Contingency

The County may perform periodic audits of the Society and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such questioned costs could lead to reimbursement to the County. Management believes that it would be able to provide support acceptable to the County and that any disallowances would not be material.

(12) Functional Expenses

The Society's purpose is to give legal assistance and provide representation in criminal matters to needy persons residing, or charged with a crime, within the County of Erie and County of Niagara, State of New York, in accordance with County Law, Section 722. All expenses related to these services have been allocated to program services with the exception of certain administrative expenses. Salaries and benefits are allocated among program and support services based on time and effort. Office and other expenses are allocated based on direct usage.

INDEPENDENT AUDITORS' 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 Directors
Erie County Bar Association Aid to
Indigent Prisoners Society, Inc.:

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 Erie County Bar Association Aid to Indigent Prisoners Society, Inc. (the Society) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated August 6, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Society'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 Society'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 Society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
August 6, 2025

ERIE COUNTY BAR ASSOCIATION
AID TO INDIGENT PRISONERS
SOCIETY, INC.

Independent Accountants' Report On
Applying Agreed-Upon Procedures

As of and for the year ended December 31, 2024

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors
Erie County Bar Association Aid to Indigent
Prisoners Society, Inc. and the County of Erie:

We have performed the procedures enumerated below on Erie County Bar Association Aid to Indigent Prisoners Society, Inc.'s (the Society) compliance with their agreement with the County of Erie as of and for the year ended December 31, 2024. The Society's management is responsible for compliance with the requirements of their agreement with the County of Erie.

The Society has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of their compliance with their agreement with the County of Erie. Additionally the County of Erie has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained and reviewed the agreement between Erie County Bar Association Aid to Indigent Prisoners Society, Inc. (the Society) and the County of Erie (the County).

FINDING - No exceptions were noted as a result of applying this procedure.

2. We reviewed a sample of vouchers to ascertain that the Society is charging \$158 per hour with a maximum of \$10,000 for all legal representation in all cases.

FINDING - No exceptions were noted as a result of applying this procedure.

3. We ascertained that expenditures of County funds were separately accounted for and expended to promote the County purpose underlying the agreement.

FINDING - No exceptions were noted as a result of applying this procedure.

4. We ascertained that the Society furnished to the County Comptroller and the County's Budget Director any independent auditors' report made for the Society, within thirty days after receipt of the report.

FINDING - No exceptions were noted as a result of applying this procedure.

5. We ascertained that the Society refunded to the County within ninety days of the Society's independent auditors' report any unused amount of monies paid to the Society.

FINDING - No exceptions were noted as a result of applying this procedure.

6. We ascertained that the Society filed with the Clerk of the Erie County Legislature on July 9, 2024 and January 17, 2025 a membership list, a full financial report, including sources and uses of funds, and minutes of each meeting held during the preceding six months. The memorandum of agreement states that the reports be filed before January 1st and July 1st of each calendar year.

FINDING - No exceptions were noted as a result of applying this procedure.

7. We ascertained that the Society submitted to the Erie County Attorney, for filing with the Erie County Legislature, quarterly reports showing the disposition and status of the County funds provided for indigent defense, including all appropriations, and denoting which attorneys have received such funds for their services.

FINDING - No exceptions were noted as a result of applying this procedure.

8. We ascertained that the Society provided the Erie County Attorney with the required State Aid Voucher, together with the back-up documentation, so as to enable the County to obtain State reimbursement under the Indigent Parolee Program.

FINDING - No exceptions were noted as a result of applying this procedure.

9. We reviewed the Society's requirement to maintain records with respect to the "Attorney of the Day," including amount of compensation paid, the number of hours and days the attorneys are so assigned and the number of indigent defendants represented thereby.

FINDING - No exceptions were noted as a result of applying this procedure.

10. We ascertained that the Society's use of County funds was limited to expenses such as salaries, fringe benefits, rent, utilities, office supplies and equipment and educational programs and services.

FINDING - No exceptions were noted as a result of applying this procedure.

We were engaged by the Society to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Society's compliance with their agreement with the County of Erie. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Society and the County of Erie and is not intended to be, and should not be, used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York
August 6, 2025