
LEGAL AID AT WORK

FINANCIAL STATEMENTS

December 31, 2016

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2015)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

LEGAL AID AT WORK

Contents

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-14

INDEPENDENT AUDITORS' REPORT

Board of Directors
Legal Aid at Work
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of Legal Aid at Work (formerly The Legal Aid Society - Employment Law Center), which comprise the statement of financial position as of December 31, 2016, and the related statements of activity, cash flows and functional expenses 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.

Auditors' 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. 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 Legal Aid at Work as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Legal Aid at Work's December 31, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 22, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants

Oakland, California

June 28, 2017

LEGAL AID AT WORK

Statement of Financial Position December 31, 2016 (With Comparative Totals as of December 31, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,810,889	\$ 1,411,096
Grants and pledges receivable, net (Note 3)	1,439,427	1,580,023
Court awarded fees and accounts receivables	142,222	863,659
Prepaid expenses	125,587	114,410
Total Current Assets	<u>4,518,125</u>	<u>3,969,188</u>
Investments (Note 4)	4,313,741	3,904,895
Property and equipment, net (Note 6)	197,130	118,789
Grants and pledges receivable, long term (Note 3)	315,030	203,075
Deposits	<u>55,364</u>	<u>55,364</u>
Total Assets	<u>\$ 9,399,390</u>	<u>\$ 8,251,311</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 126,173	\$ 155,457
Vacation accrual	<u>245,402</u>	<u>232,196</u>
Total Current Liabilities	<u>371,575</u>	<u>387,653</u>
Accrued rent	<u>171,841</u>	<u>188,109</u>
Total Liabilities	<u>543,416</u>	<u>575,762</u>
Commitments and Contingencies (Notes 7 and 8)		
Net Assets		
Unrestricted	2,061,146	2,080,147
Temporarily restricted (Note 9)	<u>6,794,828</u>	<u>5,595,402</u>
Total Net Assets	<u>8,855,974</u>	<u>7,675,549</u>
Total Liabilities and Net Assets	<u>\$ 9,399,390</u>	<u>\$ 8,251,311</u>

See Notes to the Financial Statements

LEGAL AID AT WORK

Statement of Activities For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

	Unrestricted	Temporarily Restricted	Totals	
			2016	2015
Support and Revenue				
Support				
Annual fund	\$ 843,091	\$	\$ 843,091	\$ 991,224
Annual event, net (Note 10)	562,751		562,751	448,931
Anniversary campaign		795,346	795,346	365,500
Foundation and other grants (Note 11)	96,943	982,180	1,079,123	1,395,896
Donated attorney fee awards	1,198		1,198	896,080
Cy Pres	714,676	164,864	879,540	375,472
Total Support	<u>2,218,659</u>	<u>1,942,390</u>	<u>4,161,049</u>	<u>4,473,103</u>
Revenue				
Attorneys' fees	2,018,160		2,018,160	2,374,232
Investment activity (Note 4)	(492)	105,003	104,511	38,956
Other	9,989		9,989	57,912
Total Revenue	<u>2,027,657</u>	<u>105,003</u>	<u>2,132,660</u>	<u>2,471,100</u>
Other				
In-kind contributions (Note 12)	443,142		443,142	455,731
Net assets released from donor restrictions (Note 9)	847,967	(847,967)	-	-
Total Support and Revenue	<u>5,537,425</u>	<u>1,199,426</u>	<u>6,736,851</u>	<u>7,399,934</u>
Expenses				
Program	4,218,712		4,218,712	3,731,534
Management and general	807,191		807,191	637,848
Fundraising	530,523		530,523	669,530
Total Expenses	<u>5,556,426</u>	<u>-</u>	<u>5,556,426</u>	<u>5,038,912</u>
Change in Net Assets	(19,001)	1,199,426	1,180,425	2,361,022
Net Assets, beginning of year	1,867,305	5,808,244	7,675,549	5,314,527
Reclassification (Note 13)	212,842	(212,842)	-	-
Net Assets, beginning of year, reclassified	<u>2,080,147</u>	<u>5,595,402</u>	<u>7,675,549</u>	<u>5,314,527</u>
Net Assets, end of year	<u>\$ 2,061,146</u>	<u>\$ 6,794,828</u>	<u>\$ 8,855,974</u>	<u>\$ 7,675,549</u>

See Notes to the Financial Statements

LEGAL AID AT WORK

Statement of Cash Flows For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 1,180,425	\$ 2,361,022
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	54,212	46,890
Investment activity	(104,511)	(38,956)
Donated stock	(42,662)	(28,689)
Change in assets and liabilities:		
Grant and pledges receivable	28,641	(948,392)
Court awarded fees and accounts receivables	721,437	(849,576)
Prepaid expenses	(11,177)	(27,825)
Accounts payable and accrued expenses	(29,284)	70,793
Vacation accrual	13,206	33,227
Accrued rent	(16,268)	(6,048)
Net cash provided (used) by operating activities	<u>1,794,019</u>	<u>612,446</u>
Cash flows from investing activities		
Purchase of investments	(400,000)	(400,000)
Proceeds from sale of investments	138,327	320,582
Equipment purchases	(132,553)	(80,306)
Net cash provided (used) by investing activities	<u>(394,226)</u>	<u>(159,724)</u>
Net change in cash and cash equivalents	1,399,793	452,722
Cash and cash equivalents, beginning of year	<u>1,411,096</u>	<u>958,374</u>
Cash and cash equivalents, end of year	<u>\$ 2,810,889</u>	<u>\$ 1,411,096</u>

See Notes to the Financial Statements

LEGAL AID AT WORK

Statement of Functional Expenses For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

	Program	Management and General	Fundraising	Totals	
				2016	2015
Salaries	\$ 2,296,962	\$ 350,031	\$ 208,317	\$ 2,855,310	\$ 2,634,026
Retirement contributions	97,390	22,443	10,416	130,249	137,678
Employee benefits	342,491	51,127	31,248	424,866	330,547
Payroll taxes	166,268	24,814	14,582	205,664	183,854
Total Personnel	<u>2,903,111</u>	<u>448,415</u>	<u>264,563</u>	<u>3,616,089</u>	<u>3,286,105</u>
Grants	30,982	-	-	30,982	49,100
Professional fees	207,882	242,402	50,885	501,169	324,676
Information technology	53,161	5,324	7,138	65,623	45,849
Advertising and promotion	5,344	726	1,840	7,910	5,754
Office expenses	115,633	17,447	20,637	153,717	158,072
Occupancy	266,114	33,640	33,011	332,765	361,490
Travel and meals	78,957	4,226	2,724	85,907	111,431
Conferences and meetings	11,076	550	25	11,651	7,951
Depreciation	27,050	23,788	3,374	54,212	46,890
Insurance	22,730	8,822	889	32,441	32,406
Annual luncheon	-	-	83,115	83,115	74,750
Library and research	34,836	-	-	34,836	12,339
Donated goods and services	433,142	-	10,000	443,142	455,731
Miscellaneous	28,694	21,851	52,322	102,867	66,368
Total Expenses	<u>\$ 4,218,712</u>	<u>\$ 807,191</u>	<u>\$ 530,523</u>	<u>\$ 5,556,426</u>	<u>\$ 5,038,912</u>

See Notes to the Financial Statements

LEGAL AID AT WORK

Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

NOTE 1: NATURE OF ACTIVITIES

Legal Aid at Work (formerly The Legal Aid Society – Employment Law Center) (the Organization), a nonprofit public benefit corporation, advances justice and economic opportunity for poor and low-income people and their families at work, in school, and in the community. Founded in 1916, Legal Aid at Work advocates for new laws and policies, and it provides free legal information, advice, and representation. Funding is primarily through law firm, individual, and corporate contributions; allocations from the Legal Services Trust Fund Program of the State Bar of California; government, foundation and fellowship grants; *cy pres* awards; and attorneys' fees recoveries.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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 (GAAP).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of December 31, 2016.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution.

LEGAL AID AT WORK

Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved unless such a discount is not material to the financial statements.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d).

The Organization has evaluated its current tax positions as of December 31, 2016 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents when held in an operating account.

Cash and cash equivalents held in investment accounts for investment purposes are classified with investment balances. Purchases and sales of such investments represent transfers to or from operating accounts from such investment accounts.

LEGAL AID AT WORK

**Notes to the Financial Statements
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$2,500 for an individual item or group of similar items; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Leasehold improvements	10 years or lease term
Law library	10 years
Website	3 years
Furniture and equipment	5 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior Year Summarized Information

The 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of June 28, 2017 the date that the reissued financial statements were available, there were no significant subsequent events to disclose.

LEGAL AID AT WORK

**Notes to the Financial Statements
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

NOTE 3: GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Grants and donations	\$ 1,782,667	\$ 1,324,558
Donated fees	-	471,750
Less allowance for doubtful accounts	(28,210)	(13,210)
Less long-term portion	<u>(315,030)</u>	<u>(203,075)</u>
Total	<u>\$ 1,439,427</u>	<u>\$ 1,580,023</u>

The Organization expects to complete collection of the long-term portion of pledge commitments by December 2020. Management has evaluated the discount to present value for long term receivables and determined that such discounts are not material for presentation.

NOTE 4: INVESTMENTS

Investments are stated at fair value and consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Money market	\$ 1,060,078	\$ 585,535
Mutual funds	837,179	769,106
Fixed income	<u>2,416,484</u>	<u>2,550,254</u>
Total	<u>\$ 4,313,741</u>	<u>\$ 3,904,895</u>

The use of the above investment funds is intended primarily for Justice Fund activities and may not be available for immediate use by the Organization absent specific actions by the Board.

Investment Activity

Investment activity consisted of the following for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 71,765	\$ 49,660
Realized and unrealized gains (losses)	48,238	4,588
Investment fees	<u>(15,492)</u>	<u>(15,292)</u>
Total	<u>\$ 104,511</u>	<u>\$ 38,956</u>

NOTE 5: FAIR VALUE MEASUREMENTS

The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

LEGAL AID AT WORK

Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

Level 3 inputs are unobservable inputs for the assets or liability.

Fair values of assets measured on recurring basis were as follows as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 1,060,078	\$ -	\$ 1,060,078
Mutual funds			
Domestic equity funds	837,179	-	837,179
Fixed income			
US Treasuries	597,258	-	597,258
Agency securities	561,860	-	561,860
Corporate bonds	-	1,257,366	1,257,366
Total	<u>\$ 3,056,375</u>	<u>\$ 1,257,366</u>	<u>\$ 4,313,741</u>

Credit and Interest Rate Risk

The Organization's portfolio of fixed income investments is subject to credit risk and interest rate risk which depends in part in the duration of its fixed income holdings. The Organization's agency securities hold an S&P rating of AA+ and corporate bond ratings range from S&P BBB+ to AA- as of December 31, 2016. All fixed income holdings mature within 5 years as of December 31, 2016.

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Leasehold improvements	\$ 46,400	\$ 46,400
Law library	15,187	15,187
Website	129,630	95,375
Furniture and equipment	320,301	222,003
Less accumulated depreciation	<u>(314,388)</u>	<u>(260,176)</u>
Total	<u>\$ 197,130</u>	<u>\$ 118,789</u>

NOTE 7: COMMITMENTS

The Organization leases office space and office equipment under non-cancelable leases that expire on various dates through December 2021. Future lease commitments were as follows for the years ended December 31:

2017	\$ 309,334
2018	314,060
2019	321,110
2020	331,331
2021	<u>55,364</u>
Total	<u>\$ 1,331,199</u>

LEGAL AID AT WORK

Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

For the years ended December 31, 2016 and 2015, rent and common area maintenance expenses totaled \$329,211 and \$310,362, respectively.

NOTE 8: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available as follows at December 31:

	<u>2016</u>	<u>2015</u>
Justice Fund	\$ 4,276,582	\$ 4,171,579
Foundation grants	345,807	197,704
Legal Services Trust Fund	527,180	551,340
Fellowships and students advocates	319,549	309,279
100 th Anniversary - Worker's rights clinic	1,160,846	365,500
Cy Pres	<u>164,864</u>	<u>-</u>
Total	<u>\$ 6,794,828</u>	<u>\$ 5,595,402</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction as follows during the years ended December 31:

	<u>2016</u>	<u>2015</u>
Foundation grants	\$ 284,897	\$ 452,335
Legal Services Trust Fund	439,340	347,469
Fellowships and student advocates	<u>123,730</u>	<u>101,277</u>
Total	<u>\$ 847,967</u>	<u>\$ 901,081</u>

NOTE 10: ANNUAL EVENT

The Organization holds an annual luncheon as part of its fundraising activities. Activity related to the annual luncheon was as follows during the years ended December 31:

	<u>2016</u>	<u>2015</u>
Admission	\$ 80,000	\$ 71,400
Sponsorships and contributions	600,800	437,425
Less: Costs of direct donor benefit	<u>(118,049)</u>	<u>(59,894)</u>
Total	<u>\$ 562,751</u>	<u>\$ 448,931</u>

LEGAL AID AT WORK

**Notes to the Financial Statements
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)**

In-Kind Contributions

The luncheon for the year ended December 31, 2016 reflected the Organizations 100th year anniversary and included contributed items valued at \$36,098 as part of a silent auction.

NOTE 11: FOUNDATION AND OTHER GRANTS

Foundation and other grant activity consisted of the following for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Foundation and other grants	\$ 529,943	\$ 703,068
State Bar - Legal services trust fund	415,180	317,340
Fellowships	134,000	150,488
Student advocates	<u>-</u>	<u>225,000</u>
Total	<u>\$ 1,079,123</u>	<u>\$ 1,395,896</u>

NOTE 12: IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions as follows during the years ended December 31:

	<u>2016</u>	<u>2015</u>
Services performed by volunteer attorneys	\$ 358,550	\$ 351,724
Services performed by law student volunteers	74,592	67,968
Printing, advertising and other in-kind	<u>10,000</u>	<u>36,039</u>
Total	<u>\$ 443,142</u>	<u>\$ 455,731</u>

Donated services support the Organization's Workers Rights Clinics and litigation efforts. The Organization estimated the value of such donated services on the following basis for the year ended December 31, 2016.

	<u>Hours</u>	<u>Average Rate</u>
Services performed by volunteer attorneys	1,024	\$350 per hr
Services performed by law student volunteers	<u>4,662</u>	\$16 per hr
Total	<u>5,686</u>	

NOTE 13: RECLASSIFICATION

The Organization updated the application of its accounting policies with respect to the restriction of annual campaign funds pledged but not received at year end to treat such funds as unrestricted. Opening net assets as of December 31, 2015 have been reclassified for consistency with this treatment as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Opening Net Assets	\$ 1,867,305	\$ 5,808,244	\$ 7,675,549
Reclassification	<u>212,842</u>	<u>(212,842)</u>	<u>-</u>
Opening Net Assets, reclassified	<u>\$ 2,080,147</u>	<u>\$ 5,595,402</u>	<u>\$ 7,675,549</u>

LEGAL AID AT WORK

Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

NOTE 14: RETIREMENT PLAN

The Organization has a 403(b) defined contribution retirement plan (the Plan). The Plan covers all of the Organization's eligible employees and provides for voluntary salary deferrals. In addition, the Organization matches the first \$2,000 of employee contributions after one year of employment. Subject to approval by the Board, the Organization may make an additional contribution, and targets 2.5% of eligible employee salaries for this contribution. The Organization contributed \$130,249 and \$137,678 to the Plan during the years ended December 31, 2016 and 2015, respectively.

NOTE 15: CONCENTRATIONS

Concentration of Credit Risk

At times the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Staff

A majority of staff of the Organization other than management and certain excluded temporary staff are members of Engineers and Scientists of California Local 20 and the terms of their employment are subject to a collective bargaining agreement which expires September 30, 2019.

NOTE 16: NAME CHANGE

The Organization changed its name during the year ended December 31, 2016 from The Legal Aid Society – Employment Law Center to Legal Aid at Work.