



September 18, 2023

Lawyers Concerned for Lawyers
Saint Paul, MN

We are pleased to confirm our understanding of the services we are to provide for Lawyers Concerned for Lawyers (the Organization) for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the Organization, which comprise the statement(s) of financial position as of June 30, 2023, the related statement(s) of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively the “financial statements”).

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. 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 GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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Mankato Office

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Mankato, MN 56001
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Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning, however, it should be noted that our planning procedures are not concluded and therefore additions or modifications may be made to the below significant risks:

- Management Override of Controls
- Improper Revenue Recognition
- Revenue and Receivables

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement. We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Other Services

We will assist with the preparation of the financial statements of the Organization in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will perform the services in accordance with applicable professional standards. These other services are limited to the financial statements and the related notes. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. Management must make all decisions with regards to those matters.

You agree to assume all management responsibilities for the financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.



We will also perform the following services:

1. Prepare IRS Form 990, with supporting schedules.
2. Prepare the Minnesota Annual Report and any additional state returns as requested by you in writing.
3. Propose any bookkeeping entries we find necessary in connection with preparation of these returns.

If we become aware of any other filing requirement, we will inform you of the obligation and will prepare the appropriate return(s) at your request.

If determined that additional time is necessary to complete your income tax returns, we will file an extension. Information for extended returns must be received by us at least 15 days prior to the extended due date of the return or your tax return(s) may be filed late.

The objective of our tax services engagement is to prepare the informational and tax returns, as applicable, in accordance with Statements on Standards for Tax Services issued by the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. If we become aware of any other filing requirement, we will tell you of the obligation and may prepare the appropriate return(s) at your request.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure to us of all relevant facts affecting the return(s). You also have final responsibility for the tax return and, therefore, the appropriate company officials should review the return carefully before an authorized officer signs and files it.

If, during our work, we discover information that affects prior-year informational or tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the informational and tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The return(s) will be prepared solely from information provided to us without any verification by us.

In accordance with federal law, in no case will we disclose your return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the tax services portion of the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.



Certain communications involving tax advice may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in our fees for preparation of the return(s).

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.



Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Steve Anseth, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately November , 2023 and to complete your information returns and issue our report no later than January , 2024.

Our fee for these services will be as follows:

Audit	\$11,000 - \$13,000
Tax Return	\$2,200

Additional expenses are estimated to be \$1,500-\$2,000 for out of scope services (such as the lease implementation)..

There have been several new accounting standards issued in recent years which will begin taking effect in the current and following years. These new standards may require substantial changes to your financial statements. We will review with you during the planning stage and if changes are substantial and you would like our firm to complete this work we will agree at that time to a separate fee and engagement to complete that work.

The newest standard that will have an effect on your Organization that is effective for this year's financial statement is FASB's Accounting Standards Update (ASU) 2016-02 (Topic 842) - Accounting for Leases Under ASC 842. This new standard is effective for fiscal years starting after December 15, 2021. Given this new standard will have an effect on your financial statements, there will be additional time spent to adopt this standard in year one. We will assist management with the implementation of this standard and anticipate that our non-recurring implementation fee for these procedures will range between \$1,500 - \$2,000. In addition, Abdo has partnered with a lease accounting software known as "LeaseCrunch" to assist in the implementation of the new standard and to be utilized on an ongoing basis to ensure you are in compliance with the new standard post-implementation. The cost of this service is a discounted price of \$78 per lease that is in the "LeaseCrunch" system and is billed directly to Abdo from LeaseCrunch on an annual basis. Abdo will bill you the same amount charged from LeaseCrunch based on the number of leases in your account. Abdo plans to utilize this software as part of our procedures and Abdo can either enter information into the system for you to review or we can give you access to the system to input your own lease data for which we will review and ensure it is correct. We will discuss this with you as part of our planning procedures.

In an effort to reduce environmental impact, you will receive printable, downloadable PDFs of your report or tax return. To receive one (1) paper report or tax return, you will be charged \$150 for a set-up fee. Additional paper copies will be charged at the rate of \$50 per report or tax return.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of .66 percent per month (8 percent per year). If for any reason the account is turned over to collections, additional fees will be added to cover collections cost. In accordance with our Firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.



Except in the event of your failure to make a payment when due, in the event of a dispute related in any way to our services, our Firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees. In the event you fail to make a payment for services or to reimburse for costs advanced by the Firm on your behalf, the Firm reserves the right to take all legally permissible action, including commencement of litigation in lieu of mediation, and shall have the right to collect its costs, including reasonable attorney's fees, incurred in any such collection or litigation activities.

Should Lawyers Concerned for Lawyers desire to employ the Firm's partner(s) or employee(s) involved in the performance of any audit, review or attest service for or relating to the Organization at any time during the then current fiscal year of the Organization up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year, it must have the written consent of the Firm to enter into an employment contract with the Firm partner or employee. Should the Firm agree to such arrangement, the agreement will include a payment equal to 200% of the partner or employee's current annual salary.

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Organization in the performance of our services. The Organization shall not, during the term of this agreement and for the twelve months following its termination for any reason, without the prior written consent of the Firm, solicit for employment, or hire any current or former partner or professional employee of the Firm, or any affiliate thereof, if such partner or professional employee has been involved in the performance of any audit, review, or attest service for or relating to the Organization at any time during the then current fiscal year of the Organization up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We have the right to withdraw from this engagement, at our discretion, if you do not provide us with any information we request in a timely manner; refuse to cooperate with our reasonable requests or misrepresent any facts; we have reason to believe you may have engaged, or may be planning to engage, in conduct that is unethical and/or unlawful; you engage in conduct directed toward or affecting firm personnel that is disrespectful, inappropriate, and/or potentially unlawful; or we determine that continuing the engagement is not in the best interests of the firm or threatens legal or reputational harm to the firm. In the event of withdrawal under any of these circumstances, such withdrawal will release us from any obligation to complete your report and will constitute completion of our engagement.



Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Abdo

RESPONSE:

This letter correctly sets forth the understanding of **Lawyers Concerned for Lawyers**.

By: _____

Title: _____

