

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
-- 2013 Program Year Funding--

ACTIVITY NAME:

Homelessness Prevention Project

APPLICANT:

Legal Aid Society of Northeastern New York, Inc.

MAILING ADDRESS:

112 Spring Street

Saratoga Springs

Zip: 12866

PHONE: (518) 689-6304

FAX: (518) 427-8352

EMAIL: lmoy@lasnny.org

CONTACT PERSON: Lillian M. Moy

TITLE: Executive Director

APPLICANT: (select 1) City Department Private non-profit organization Other Public Agency

(List Dept.)

141338448

(List Federal ID#)

(Specify)

17-225-7115

(DUNS #)

NATIONAL OBJECTIVE (select 1):

“Benefit persons of Low/moderate income”

“Address slum/blight Conditions”

“Urgent CD Need”

L/M Income Area Benefit

“N/A” Slum/blighted Area

“N/A” Urgent Need

L/M Income Limited Clientele Activities

Slum/blighted Spot Basis

L/M Income Housing Activities

“N/A” Urban Renewal Completion

L/M Income Job Creation/Retention

REQUESTED ENTITLEMENT FUNDING: \$ 16,000

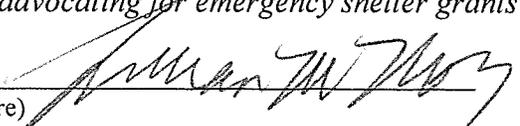
Funding Leveraged from Other Sources: \$ 5,246

Total Activity Cost \$ 21,246

Proposal Abstract -- please provide a *brief* overview of your proposal including the number of persons that will be served with this grant in the space below:

The Saratoga Springs Homelessness Prevention Project will continue to prevent homelessness among low income individuals and families in the City of Saratoga Springs. A part-time staff attorney at the Legal Aid Society will provide free legal advice, referrals and representation to prevent unwarranted or illegal evictions. If fully funded, we will serve 60 households. We will prioritize evictions involving affordable housing, violations of the warranty of habitability due to unsafe living conditions, such as lead paint based hazards; electrical, plumbing and structural hazards; or lack of heat and running water. We will also try to prevent homelessness by advocating for emergency shelter grants and ongoing cash assistance.

(Authorized Signature)



Executive Director

(Title)

Lillian M. Moy

(Typed or Printed Name)

January 30, 2013

(Date)

1. ACTIVITY DESCRIPTION

The Homelessness Prevention Project (HPP) provides eviction defense representation, and related public assistance representation in emergency shelter or public assistance issues, to low and moderate income residents of the City of Saratoga Springs. The goal of the project is to prevent involuntary homelessness by providing a broad range of legal services from information, advice, brief service to full representation and community legal education.

A. The Homelessness Prevention Project is an ongoing activity funded in previous years by the CDBG.

B. Community Need.

The Homelessness Prevention Project (HPP) meets the need for homelessness prevention services identified as one of the highest priorities for homeless facilities and services funding in the City's 2010 Consolidated Plan. CDBG funding will be used to fund 23% of a staff attorney to prevent unwarranted and illegal evictions.

The City's 2010 Consolidated Plan highlights the overwhelming rent burden that many renters, low income people and vulnerable Saratoga Springs residents face. The City logically concludes that there is a disproportionate housing need amongst these residents, those prioritized for services by the HPP, and that homelessness prevention activities meet both high priority housing and public service needs. The Project will continue to prioritize households facing eviction from homes with lead-based paint hazards and code conditions, consistent with the high priority the City places on these issues as well. The HPP will strive to reduce the initial incidence of homelessness by immediately intervening in instances of threatened or actual eviction, as well as by seeking to address the underlying financial factors which precipitate homelessness. As resources permit, advice will also be given on the rights and responsibilities of tenants and landlord/tenant counseling in order to assist tenants in maintaining current, affordable housing. Emphasis is placed on providing both individual tenants and the community in general with increased knowledge and skills related to the respective rights and responsibilities of tenants and landlords, as well as representation in court. Entitlement benefits advocacy and representation at fair hearings will be provided as needed to ensure receipt of emergency assistance or ongoing cash benefits.

There is no other program of publicly funded lawyers for low income tenants at risk of homelessness in the City of Saratoga Springs. Our OTDA funding may only be used in rural Saratoga County. It is CDBG funding that helps to provide this service to the City's at-risk residents. While other agencies may offer case management or lay advocacy services, only the Legal Aid Society can provide lawyers to contest these legal proceedings.

Low income and vulnerable residents in the City of Saratoga Springs urgently need access to the services of the HPP. Consider the following stories of HPP clients who were able to avoid homelessness:

"Stuart", a disabled single man living in subsidized housing, was told that the Housing Authority was going to evict him due to the conditions of his apartment. The HPP attorney accompanied him to the informal hearing where he met with the Housing Authority executive director and counsel. Stuart

cannot get around well and the apartment had become cluttered. The HPP attorney negotiated for time to improve conditions and Stuart agreed to follow up inspections after advance notice. Stuart has been able to maintain his apartment and there have been no further problems.

We assisted “Joanna”, a mother of two children who was being evicted by her children’s father. We met Joanna in court as part of the CDBG attorney-in-the courtroom program. Joanna lived in a home owned by her ex-boyfriend with their two children in common. She had recently filed for a custody modification, requesting primary custody of the children. The father/landlord then filed a nonpayment eviction proceeding against her seeking a money judgment for unpaid rent. The HPP attorney negotiated time for Joanna to locate alternate housing and avoid any money judgment. She and her family are now safely relocated.

In the 2011-2012 grant period, the HPP served 48 new households and prevented involuntary homelessness for 44 of them, benefitting 79 extremely low, low or moderate income persons. The HPP also supported two trainings in housing law to local social services agencies.

Homelessness was prevented by the HPP lawyer preventing eviction, allowing households to retain their permanent housing or by gaining additional time for the households to locate permanent housing. In addition to assisting clients in retaining housing and providing clients with the time necessary to locate and secure alternate housing, the HPP also helped clients enforce their rights to safe and healthy living conditions, assisted clients in gaining access to personal property wrongfully withheld by landlords, and worked with clients to access available resources to help them staff off future homelessness. We were also able to prioritize assistance to the elderly and disabled, as well as other disadvantaged tenants, in maintaining public housing through litigation and information negotiation with Section 8 landlords and the local housing authority. This housing is often the last option before homelessness for at-risk, low-income individuals and families. We believe we also prevented involuntary homelessness for other households to whom we provided advice and brief service. From July 1, 2012 to December 31, 2012, we handled 17 requests for assistance, preventing homelessness for 12 households, benefitting 21 people. Project intake continues to be on track with three new intakes as of January 29, 2013.

C. Who Will Benefit

The Homelessness Prevention Project is designed to benefit Saratoga Springs residents who are low income. The Legal Aid Society interviews each applicant for eligibility according to their income and assets. Under our 2012 financial guidelines, a household of four cannot have a monthly gross income greater than \$2,401 (annualized at \$28,813). This is well below the income levels identified for the low income households the City aims to serve with its Community Development Block Grant program.

D. Performance Goals

If fully funded, the HPP will serve 60 low income households with advice, brief service, negotiation and full representation designed to prevent homelessness. We expect to prevent homelessness for 80% of the households who receive full representation. In 2011-12, we prevented homelessness for 88% of the households who received extended representation. Case file records and the Society’s case management system will document whether we have met our performance goals.

E. Timeframe/Schedule

- | <u>Activity</u> | <u>Time Frame</u> |
|--|------------------------------------|
| 1. Commence CDBG-funded Homelessness Prevention representation | July 1, 2013 |
| 2. Outreach/community networking to announce renewed Homelessness Prevention Project at community meetings. Provide ongoing notice of Project at community meetings. | Ongoing from date of commencement. |
| 3. Homelessness Prevention Project representation to low income households. | Ongoing from date of commencement. |
| 4. Community Legal Education event on landlord-tenant rights and responsibilities. | By January 31, 2014 |
- F. The Homelessness Prevention Project does not require any additional local, state or federal approval.

2. Organizational Capacity

A. Overview of the Legal Aid Society of Northeastern New York

The Legal Aid Society of Northeastern New York (LASNNY) is the sole direct provider of civil legal services to the poor located in Saratoga Springs. We are the successor organization to the Legal Aid Society of Albany which was founded in 1923. We provide civil legal services to low income people in 16 counties in northeastern New York in a broad range of substantive areas including public assistance, housing, family and consumer law.

LASNNY has five offices, with the main office in Albany at 55 Colvin Avenue. We have had an office in Saratoga Springs since 1980 and are currently located at 112 Spring Street. The Saratoga staff consists of seven attorneys, two paralegals and two support staff. Our current annual budget is \$6,010,689. Attached is a copy of our current Board officers and members. Our Saratoga Springs Board member is attorney, Ronald J. Kim of the Law Offices of Ronald J. Kim.

LASNNY has received CDBG funding in the past, as follows:

October 1996 - September 1997	Homelessness Prevention Project	13,500
October 1997 - September 1998	Homelessness Prevention Project	15,000
October 1998 - September 1999	Homelessness Prevention Project	8,000
October 1999 - September 2000	Homelessness Prevention Project	15,000
July 1, 2001 - June 30, 2002	Homelessness Prevention Project	15,000
July 1, 2002 - June 30, 2003	Homelessness Prevention Project	15,000
July 1, 2003 - June 30, 2004	Homelessness Prevention Project	15,000

July 1, 2004 - June 30, 2005	Homelessness Prevention Project	15,000
July 1, 2005 - June 30, 2006	Homelessness Prevention Project	16,000
July 1, 2006 - June 30, 2007	Homelessness Prevention Project	16,000
July 1, 2007 - June 30, 2008	Homelessness Prevention Project	13,000
July 1, 2008 - June 30, 2009	Homelessness Prevention Project	12,000
July 1, 2009 - June 30, 2010	Homelessness Prevention Project	12,000
July 1, 2010 - June 30, 2011	Homelessness Prevention Project	12,000
July 1, 2011 - June 30, 2012	Homelessness Prevention Project	10,059
July 1, 2012 - June 30, 2013	Homelessness Prevention Project	8,000

B. LASNNY's Experience -- In 2011, LASNNY closed 8,155 cases in various substantive areas, including homelessness prevention, housing, public assistance, disability and family law. Our work, including legal representation, community legal education (in person, in print and on the internet), information and referrals directly benefitted 58,383 individuals. Some of the benefits clients received were the prevention of homelessness funded by this grant and safety from domestic violence. This includes case closings under our Private Attorney Involvement (PAI) program. Via the PAI program, LASNNY screens and refers cases for low income clients to private attorneys who handle these cases on a pro bono basis.

We have successfully administered a Homelessness Prevention Project funded by CDBG grant funds for 16 contract years. The Society continues to have the skills and staff to provide the highest possible quality legal services to prevent homelessness in the City of Saratoga Springs. Landlord-tenant and public assistance matters have long been part of the Legal Aid Society's daily work.

Our staff of experienced and committed attorneys, along with our systems to provide legal services in an efficient and effective manner, enable us to achieve the significant success of our Homelessness Prevention Project. Our work as advocates in the Saratoga Springs community, our experience in administering public funds responsibly, and our ability to produce the high priority outcomes desired demonstrate our ability to continue the Homelessness Prevention Project. We are midway in fulfilling our current contract, and as of December 31, 2012, have served 17 of our projected 30 households.

C. HPP staff include:

- Stuart Kaufman - 23% FTE Staff Attorney (or about eight hours per week)
- Mary Withington - .3% FTE Supervising Attorney (or less than one hour per week)
- Julie Casner - .3% FTE Legal Secretary (or less than one hour per week)

The CDBG staff attorney is Stuart Kaufman, who has been with the Legal Aid Society since 2006. The Supervising Attorney and the Executive Director will monitor the quarterly statistics to enable us to gauge the quantity of client services and the level of services being provided. Financial management is performed by Lillian M. Moy, Executive Director and Shamim Huq, Fiscal Director, both of whom have extensive experience in program and financial management.

D. While there are no other formal partners in this activity, the Legal Aid Society will work

cooperatively with staff of the City of Saratoga Springs Community Development Office, the Office of Public Safety and many other community agencies in implementing the Homelessness Prevention Project.

3. ACTIVITY BUDGET

A. See Attached.

B. If fully funded, substantial leveraging of 25% is pledged through Legal Services Corporation (LSC) funding. LSC funds are received to fund legal services to income-eligible clients, consistent with LSC requirements and restrictions.¹

¹ The Legal Aid Society of Northeastern New York, Inc. is funded in part by the Legal Services Corporation. As a condition of the fund it receives from LSC, it is restricted from engaging in certain activities in all of its legal work -- including work supported by other funding sources. The Legal Aid Society of Northeastern New York may not expend any funds for any activity prohibited by the Legal Services Corporation Act, 42 U.S.C. 2996 et seq. or by Public Law 104-134. Public Law 104-134 §504(d) requires that notice of these restrictions be given to all funders of programs funded by the Legal Services Corporation. For a copy of these laws or for any other information or clarifications, please contact Lillian M. Moy, Executive Director.

(Attachment 1)

Program Operating Budget

Entitlement Grant + Leveraged Funds = Total Activity Cost)

	Entitlement Grant	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PERSONNEL				
Salaries	12,676	1,520	14,196	<i>LSC</i>
Fringe	3,296	963	4,259	<i>LSC</i>
Other (consultants, etc.)				
<i>Subtotal</i>	15,972	2,483	18,455	

OVERHEAD				
Advertising/Marketing	0	0	0	
Program Supplies	0	0	0	
Rent & Utilities	0	0	0	
Other - List below				
<i>Program costs – Library, telephone, misc.</i>	0	2,707	2,707	<i>LSC</i>
<i>Audit</i>	28	56	84	<i>LSC</i>
<i>Subtotal</i>	28	2,763	2,791	

TOTAL COST	\$16,000	\$5,246	\$21,246
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**Attachment to
Program Operating Budget**

Position	Salary	%Time on Grant	Project Cost	CDBG Funds	Match	% CDBG
Staff Attorney	\$58,100	23%	13,131	12,676	455	97%
Supv. Attorney	99,244	.3%	298	0	298	0%
Executive Director	141,829	.3%	425	0	425	0%
Fiscal Director	72,800	.3%	218	0	218	0%
Legal Secretary	41,199	.3%	124	0	124	0%
TOTAL SALARIES		23.8%	14,196	12,676	1,520	
Fringe @ 30%			4,259	3,296	963	77%
PERSONNEL SUBTOTAL			18,455	15,972	2,483	
Program Costs*			2,707		2,707	
Audit			84	28	56	33%
NON-PERSONNEL SUBTOTAL			\$2,791	28	2,763	
TOTAL PROJECT COST			21,246	16,000	5,246	75%

***Program Costs:**

Space	910
Telephone	184
Library	257
Supplies	357
Training travel	127
Equip. Rental	146
Contract Svcs.	525
Other	201

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2013 Program Year Funding --***

**Attachment A
List of Board Officers/Members**

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
-- 2013 Program Year Funding --

LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK
BOARD OF DIRECTORS

PRESIDENT

E. Stewart Jones, Esq.

1ST VICE PRESIDENT

Thomas J. O'Connor, Esq.

2ND VICE PRESIDENT

Paula Slater-Hurd

TREASURER

Ronald Kim, Esq.

SECRETARY

Andrew Schrader, Esq.

MEMBERS

John Caffry, Esq.

John P. Calareso, Esq.

Jondavid DeLong, Esq.

Sanjeeve DeSoyza, Esq.

Wendy Frost

Stephen Johnston, Esq.

Edward Kaplan, Esq.

Karen Kenison

Cathy Lawrence

Nicholas Pignone, Esq.

Patricia L.R. Rodriguez, Esq.

Bethany Schumann-McGhee, Esq.

Shaton Vance

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2013 Program Year Funding --***

**Attachment B
Evidence of Match Funds**

LEGAL SERVICES CORPORATION
Acceptance of Grant Award

Recipient Number: 233010
Recipient Name: Legal Aid Society of Northeastern New York, Inc.
Service Area(s): NY-21

Service Area(s)	Grant Type	Amount	Start Date	End Date
NY-21	Basic Field-General	\$1,272,060	1/1/2013	12/31/2013

Recipient accepts the offer of the above-listed grant(s) as made in the grant award letter to which this Acceptance is attached, including the terms, conditions and assurances set forth in that letter, and any other special conditions attached hereto.

CONDITIONS: None

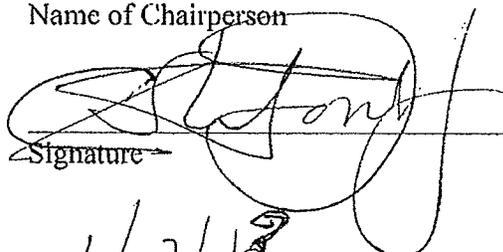
Recipient understands and agrees that the Grant Assurances for Year 2013 it certified to are fully applicable to this grant.

Lillian M. Moy
Name of Executive Director


Signature

1/8/13
Date

E. Stewart Jones
Name of Chairperson


Signature

1/2/13
Date

To accept the terms of this grant and ensure the timely issuance of grant payments, review and sign this enclosure and follow the instructions in **Attachment A** for submitting special grant conditions (SGCs) and the Acceptance of Grant Award (AGA). All SGCs and the AGA must be submitted to LSC on or before **January 18, 2013**.

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2013 Program Year Funding --***

**Attachment C
2011 Financial Audit**

*THE LEGAL AID SOCIETY
OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010*

*FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
DECEMBER 31, 2011 AND 2010*

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
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DECEMBER 31, 2011 AND 2010

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CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: INFO@CUSACKCPA.COM
WWW.CUSACKCPA.COM

CLIFTON PARK/HALFMOON OFFICE
(518) 664-7063
FAX (518) 541-3083

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Legal Aid Society of Northeastern New York, Inc.
Albany, New York

We have audited the accompanying statements of financial position of The Legal Aid Society of Northeastern New York, Inc., LSC Recipient 233010 (the "Society") as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

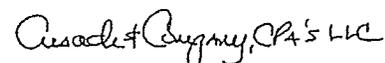
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2012 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Society taken as a whole. The schedule of support, revenue, expenses and changes in net assets on page 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Society. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The audit partner responsible for the 2011 and 2010 audits of the Society, LSC Recipient 233010, is John A. Criscone, CPA. The employer ID# for Cusack & Company, CPA's LLC is 14-1800427.



CUSACK & COMPANY, CPA'S, LLC

Latham, New York
April 24, 2012

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,167,214	\$ 711,171
Client Escrow Funds	31,616	30,272
Grants and Accounts Receivable	1,129,382	909,694
Promises to Give, Net of Allowance	170,950	184,815
Prepaid and Other Current Assets	<u>113,618</u>	<u>58,602</u>
Total Current Assets	<u>2,612,780</u>	<u>1,894,554</u>
Property		
Land, Building and Equipment, at Cost	1,462,431	1,440,570
Less: Accumulated Depreciation	<u>(782,775)</u>	<u>(690,990)</u>
Total Property, Net	<u>679,656</u>	<u>749,580</u>
Other Assets		
Endowment Fund	67,967	55,939
Tuition Loan Program	47,153	50,199
Security Deposits	<u>3,855</u>	<u>3,855</u>
Total Other Assets	<u>118,975</u>	<u>109,993</u>
Total Assets	<u>\$ 3,411,411</u>	<u>\$ 2,754,127</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Line of Credit Payable	\$ 265,000	\$ -
Current Portion of Long-Term Debt	27,013	28,890
Accounts Payable	193,620	86,205
Accrued Expenses	384,700	354,526
Client Trust Deposits	31,616	30,272
Deferred Revenues	<u>545,638</u>	<u>403,321</u>
Total Current Liabilities	1,447,587	903,214
Noncurrent Liabilities		
Long-Term Debt, Net of Current Portion	<u>78,269</u>	<u>104,924</u>
Total Liabilities	<u>1,525,856</u>	<u>1,008,138</u>
Net Assets		
Unrestricted	1,157,580	666,395
Temporarily Restricted	<u>727,975</u>	<u>1,079,594</u>
Total Net Assets	<u>1,885,555</u>	<u>1,745,989</u>
Total Liabilities and Net Assets	<u>\$ 3,411,411</u>	<u>\$ 2,754,127</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,483,208	\$ 1,483,208
Disability Advocacy Program	-	432,562	432,562
NYS Legislative	-	120,106	120,106
Interest on Lawyers Account	-	968,268	968,268
Community Development Block Grants	-	11,299	11,299
Contributions, Fund Raising & Donated Services	275,730	14,600	290,330
Interest Income	1,608	-	1,608
NYS Member Items	-	144,916	144,916
Senior Legal Services/Office for the Aging	-	60,471	60,471
STOP Grants	-	61,867	61,867
Legal Aid Society Homelessness Unit	-	119,380	119,380
Miscellaneous	105,469	13,520	118,989
Other Local Grants	-	109,185	109,185
Homelessness Intervention Program	-	166,262	166,262
Protection and Advocacy Programs	-	119,700	119,700
Nutrition Consortium	-	195,007	195,007
Domestic Violence Legal Assistance Program	-	277,312	277,312
NYS Department of Health - AIDS	-	1,326	1,326
NYS Housing Trust Fund Corp	-	334,684	334,684
Foreclosure Prevention Program	-	10,675	10,675
Homelessness Prevention and Rapid Rehousing Program	-	714,735	714,735
NYS Judiciary CLS	-	391,875	391,875
Net Assets Released from Restrictions	<u>5,689,378</u>	<u>(5,689,378)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>6,072,185</u>	<u>61,580</u>	<u>6,133,765</u>
Expenses			
Legal Services	5,415,287	-	5,415,287
Management and General	417,359	-	417,359
Fund Raising	<u>161,553</u>	<u>-</u>	<u>161,553</u>
Total Expenses	<u>5,994,199</u>	<u>-</u>	<u>5,994,199</u>
Increase in Net Assets	77,986	61,580	139,566
Net Assets at Beginning of Year	<u>1,079,594</u>	<u>666,395</u>	<u>1,745,989</u>
Net Assets at End of Year	<u>\$ 1,157,580</u>	<u>\$ 727,975</u>	<u>\$ 1,885,555</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,547,165	\$ 1,547,165
Disability Advocacy Program	-	439,539	439,539
NYS Legislative	-	218,792	218,792
Interest on Lawyers Account	-	978,647	978,647
Community Development Block Grants	-	15,147	15,147
Contributions, Fund Raising & Donated Services	202,870	21,050	223,920
Interest Income	1,782	-	1,782
NYS Member Items	-	211,393	211,393
Senior Legal Services/Office for the Aging	-	60,134	60,134
STOP Grants	-	86,447	86,447
Legal Aid Society Homelessness Unit	-	120,410	120,410
Miscellaneous	60,143	12,797	72,940
Other Local Grants	-	123,360	123,360
Homelessness Intervention Program	-	162,631	162,631
Protection and Advocacy Programs	-	119,700	119,700
Nutrition Consortium	-	166,408	166,408
Domestic Violence Legal Assistance Program	-	22,079	22,079
NYS Department of Health - AIDS	-	52,762	52,762
NYS Housing Trust Fund Corp	-	299,948	299,948
NYS Department of Health Rainbow DV	-	30,989	30,989
Foreclosure Prevention Program	-	36,918	36,918
Homelessness Prevention and Rapid Rehousing Program	-	609,185	609,185
Net Assets Released from Restrictions	<u>5,344,287</u>	<u>(5,344,287)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>5,609,082</u>	<u>(8,786)</u>	<u>5,600,296</u>
Expenses			
Legal Services	5,103,374	-	5,103,374
Management and General	351,978	-	351,978
Fund Raising	<u>164,550</u>	<u>-</u>	<u>164,550</u>
Total Expenses	<u>5,619,902</u>	<u>-</u>	<u>5,619,902</u>
Decrease in Net Assets	(10,820)	(8,786)	(19,606)
Net Assets at Beginning of Year	<u>677,215</u>	<u>1,088,380</u>	<u>1,765,595</u>
Net Assets at End of Year	<u>\$ 666,395</u>	<u>\$ 1,079,594</u>	<u>\$ 1,745,989</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Increase (Decrease) in Net Assets	\$ 139,566	\$ (19,606)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	91,785	91,431
Bad Debt Expense	8,378	21,948
Loss on Disposal of Asset	-	986
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Promises to Give	5,487	(29,895)
Grants and Accounts Receivable	(219,688)	294,712
Prepaid and Other Current Assets	(55,016)	50,480
Endowment Fund	(12,028)	(23,629)
Tuition Loan Program	3,046	8,489
Increase (Decrease) in Liabilities		
Accounts Payable	107,415	(91,176)
Accrued Expenses	30,174	24,561
Deferred Revenues	<u>142,317</u>	<u>(185,493)</u>
Net Cash Provided By Operating Activities	<u>241,436</u>	<u>142,808</u>
Cash Flow Used In Investing Activities:		
Purchase of Land, Building and Equipment	<u>(21,861)</u>	<u>(113,544)</u>
Net Cash Used In Investing Activities	<u>(21,861)</u>	<u>(113,544)</u>
Cash Flow Provided By (Used In) Financing Activities:		
Payments on Mortgages Payable	(28,532)	(127,212)
Proceeds from Line of Credit	<u>265,000</u>	<u>-</u>
Net Cash Provided By (Used In) Financing Activities	<u>236,468</u>	<u>(127,212)</u>
Increase (Decrease) in Cash and Cash Equivalents	456,043	(97,948)
Cash and Cash Equivalents, Beginning of Year	<u>711,171</u>	<u>809,119</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,167,214</u>	<u>\$ 711,171</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	<u>\$ 14,036</u>	<u>\$ 18,015</u>
Other Non-Cash Activities		
In-Kind Donation of Legal Services	<u>\$ 7,233</u>	<u>\$ 368</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Legal Services			Supporting Services		
	Private Attorney Involvement	General Client	Total	Management and General	Fund Raising	Total
Expenses	\$ 79,334	\$ 1,894,341	\$ 1,973,675	\$ 173,595	\$ 47,124	\$ 220,719
Salaries and Wages	43,974	1,049,998	1,093,972	96,221	26,120	122,341
Lawyers	40,524	1,005,694	1,046,218	88,673	24,071	112,744
Non-Lawyers	6,778	598,949	605,727	14,798	17,325	32,123
Employee Benefits	795	18,994	19,789	1,740	472	2,212
Contract Services	-	-	-	7,233	-	7,233
Audit and Accounting	12,646	98,181	110,827	8,185	5,761	13,946
Legal and Professional Fees	4,778	114,095	118,873	10,456	2,838	13,294
Travel and Training	898	21,440	22,338	1,965	533	2,498
Occupancy	11,407	74,758	86,165	6,720	16,525	23,245
Repairs and Maintenance	1,341	33,140	34,481	2,934	1,890	4,824
Office Expense	2,697	65,313	68,010	-	-	-
Telephone	848	20,239	21,087	1,006	273	1,279
Library	400	26,132	26,532	157	43	200
Insurance	1,196	28,913	30,109	2,617	711	3,328
Professional Dues	-	91,785	91,785	-	-	-
Equipment Rental and Maintenance	985	5,271	6,256	92	25	117
Depreciation	241	14,275	14,516	525	1,539	2,064
Litigation	-	3,905	3,905	-	4,473	4,473
Interest and Bank Charges	8,278	32,744	41,022	442	11,830	12,272
Bad Debts						
Other Expense						
Total Expenses	\$ 217,120	\$ 5,198,167	\$ 5,415,287	\$ 417,359	\$ 161,553	\$ 578,912
						\$ 5,994,199

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010

STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Legal Services			Supporting Services		
	Private Attorney Involvement	General Client	Total	Management and General	Fund Raising	Total
Expenses						
Salaries and Wages	\$ 30,556	\$ 2,156,713	\$ 2,187,269	\$ 35,964	\$ 12,121	\$ 48,085
Lawyers	106,197	717,636	823,833	204,945	64,446	269,391
Non-Lawyers	43,985	966,201	1,010,186	77,486	24,627	102,113
Employee Benefits	7,126	417,067	424,193	6,756	11,886	18,642
Contract Services	880	18,504	19,384	1,341	426	1,767
Audit and Accounting	-	-	-	368	-	368
Legal and Professional Fees	2,812	79,508	82,320	2,662	1,905	4,567
Travel and Training	5,126	107,786	112,912	7,812	2,483	10,295
Occupancy	754	15,851	16,605	1,149	365	1,514
Repairs and Maintenance	7,688	80,503	88,191	5,567	8,185	13,752
Office Expense	1,441	31,388	32,829	2,226	1,826	4,052
Telephone	2,844	60,120	62,964	19	36	55
Library	1,026	21,587	22,613	1,565	497	2,062
Insurance	304	21,744	22,048	115	37	152
Professional Dues	1,405	28,132	29,537	3,025	691	3,716
Equipment Rental and Maintenance	-	91,431	91,431	-	-	-
Depreciation	1,509	6,057	7,566	-	-	-
Litigation	274	23,258	23,532	417	716	1,133
Interest and Bank Charges	-	-	-	-	21,948	21,948
Bad Debts	-	-	-	-	12,355	12,916
Other Expense	5,437	40,524	45,961	561	-	-
Total Expenses	\$ 219,364	\$ 4,884,010	\$ 5,103,374	\$ 351,978	\$ 164,550	\$ 516,528
						\$ 5,619,902

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The Legal Aid Society of Northeastern New York, Inc. (the "Society") is a nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in Albany, New York and the surrounding sixteen county area. The Society is primarily funded through grants from the Legal Services Corporation (LSC), a nonprofit corporation established by Congress to administer a national legal assistance program. Approximately 24.2% and 27.6% of the Society's support for the years ended December 31, 2011 and 2010, respectively, was provided by LSC.

Basis of Accounting

The financial statements of the Society have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities. The Society has additionally adopted the accounting and reporting provisions of FASB ASC 958 (formerly SFAS No. 116), *Not-For-Profit Entities* and FASB ASC 958-205 (formerly SFAS No. 117) *Presentation of Financial Statements*.

Support and Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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.

The Society recognizes grant funds from LSC and other grantor agencies as support on a straight-line basis over the grant period. Revenue which has been recognized but is unexpended at the end of an accounting period is recorded in the Society's net assets as temporarily restricted. Grant monies that have been received, but have not been recognized as revenue, are recorded as deferred revenues. In accordance with a general LSC policy, the Society may use unspent monies in future periods as long as expenses incurred are in compliance with the specified terms of the LSC grant. LSC may, at its discretion, request reimbursement for expenses or return of unexpended monies, or both, as a result of noncompliance by the Society with the terms of the grant. In addition, if the Society terminates its LSC grant activities, all unexpended monies are to be returned to LSC.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (Continued)

The Society reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded as decreases in unrestricted net assets when incurred in accordance with the accrual basis of accounting.

Cash Equivalents

The Society considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Property

Land, building and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Society has a capitalization policy of \$5,000 (formerly \$1,000). The impact of this change on the comparability of operating results for 2011 as compared to 2010 is not deemed to be material.

Expense Allocation

The Society allocates certain shared expenses between the Legal Services Corporation program, the Interest on Lawyer Account Fund of the State of New York and various other programs. The expense allocation charged to a particular funding source is based on time spent on each program for salary expense and is based on similar allocation methods for all other expenses.

Contributions

Contributions represent cash donations to the Society from private organizations and individuals and are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence and/or nature of any donor restrictions.

Income Taxes

The Society is a not-for-profit organization exempt from Federal income taxes pursuant to §501(c)(3) of the Internal Revenue Code and has been classified as a publicly-supported organization that is not a private foundation under §509(a) of the Internal Revenue Code.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Materials and Services

Donated materials and services are recorded at their fair value in accordance with the provisions of FASB ASC 958.

Estimates

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

Reclassification

Certain 2010 amounts have been reclassified to conform to 2011 presentation.

Fair Value

For assets and liabilities measured at fair value on a recurring basis, the Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the Society would receive upon selling an asset or be paid to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The Society has no assets or liabilities measured at fair value on a recurring basis.

Accounting for Uncertainty in Income Taxes

The Accounting Standards Codification requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The Society has not recognized any benefits or liabilities from uncertain tax positions in 2011 and believes it has no uncertain tax positions for which it is reasonably possible that will significantly increase or decrease net assets. Generally, federal and state authorities may examine the Society's tax returns for three years from the date of filing; consequently, income tax returns for years prior to 2008 are no longer subject to examination by tax authorities.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through April 24, 2012, the date the financial statements were available to be issued. No such events or transactions were identified.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

2. CLIENT ESCROW FUNDS

Cash deposits received from clients are maintained in escrow accounts, which primarily represent anticipated rent and court costs to be paid by the client.

3. GRANTS AND ACCOUNTS RECEIVABLE

At December 31, 2011 and 2010, grants and accounts receivable were comprised of the following funding sources:

	<u>2011</u>	<u>2010</u>
Albany Community Development Agency	\$ -	\$ 526
Albany County Rural Housing Authority	2,419	-
Albany Law School	18,632	16,041
Catholic Charities of Schoharie County	1,362	3,145
Catholic Charities of Saratoga, Washington, and Warren	-	7,661
Catskill Mountain Housing Development Corp.	2,074	2,074
City of Albany	-	13,221
City of Saratoga	5,029	6,770
City of Schenectady	25,925	7,366
Columbia Opportunities, Inc.	2,845	5,818
County of Albany	36,966	61,773
County of Fulton	1,546	3,100
County of St. Lawrence	468	471
County of Washington	1,750	1,750
County of Warren	20,180	20,180
Disability Advocacy Program	218,782	174,695
ETC Housing	18,237	11,191
Greene County Foreclosure Prevention	-	13,469
Joseph's Housing and Shelter	34,322	29,856
Massena Independent Living Center	150	1,605
Office of Justice Program	91,715	22,079
Protection and Advocacy for Developmentally Disabled	35,280	17,640
Protection and Advocacy for Mentally Ill	6,300	6,300
Schenectady Community Action Program	29,484	28,887
St. Regis Mohawk Indian Tribe	855	945
State of New York	307,121	291,783
Nutrition Consortium	77,122	58,510
NYS Division of Criminal Justice	113,249	17,071
United States Department of Housing and Urban Development	45,737	49,709
WAIT House	31,832	36,058
	<u>\$ 1,129,382</u>	<u>\$ 909,694</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

4. **PROMISES TO GIVE**

At December 31, 2011 and 2010, the Society had \$185,150 and \$194,542, respectively, of unconditional promises receivable, all due within one year. The Society uses the allowance method to determine uncollectible unconditional promises. An allowance for uncollectible amounts of \$14,200 and \$9,727 at December 31, 2011 and 2010, respectively, has been provided based on historical experience and management's analysis of specific promises made and is reflected in the above net receivable amounts.

5. **PROPERTY**

Land, building and equipment at December 31, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Land	\$ 20,000	\$ 20,000
Building	551,554	551,554
Building Improvements	381,167	359,306
Equipment, Furniture and Fixtures	467,637	467,637
Law Library	<u>42,073</u>	<u>42,073</u>
Total at Cost	1,462,431	1,440,570
Less: Accumulated Depreciation	<u>(782,775)</u>	<u>(690,990)</u>
 Total Property, Net	 <u>\$ 679,656</u>	 <u>\$ 749,580</u>

The Society had \$21,861 and \$113,544 in additions for the year ended December 31, 2011 and 2010, respectively, of which \$1,490 and \$19,932 in 2011 and 2010, respectively, were purchased with monies provided by LSC. The Society had \$986 in net loss from disposals for the year ended December 31, 2010 of which \$745 was originally purchased with monies provided by LSC. The net book value of the LSC equipment is \$126,911 and \$166,150 at December 31, 2011 and 2010, respectively. Total depreciation expense was \$91,785 and \$91,431 for the year ended December 31, 2011 and 2010, respectively.

6. **LINE OF CREDIT**

The Society has a \$400,000 revolving demand line of credit available with a bank, of which there were outstanding draws of \$265,000 at December 31, 2011. The line of credit bears interest at one percent above the bank's prime rate (\$4.25% at December 31, 2011) and is collateralized by the Society's accounts receivable and other assets. There is no set expiration date for this line of credit.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

7. LONG-TERM DEBT

Long-term debt at December 31, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Mortgage payable to private party in monthly installments of \$2,075 with interest at 7.0%, collateralized by real estate.	\$ 20,152	\$ 42,837
Mortgage payable to bank in monthly installments of \$1,008 with interest at 7.0%, collateralized by real estate.	<u>85,130</u>	<u>90,977</u>
Total	105,282	133,814
Less: Current Portion	<u>(27,013)</u>	<u>(28,890)</u>
	<u>\$ 78,269</u>	<u>\$ 104,924</u>

Current maturities of long-term debt are as follows:

2012	\$ 27,013
2013	7,357
2014	7,889
2015	8,460
2016	9,071
Thereafter	<u>45,492</u>
	<u>\$ 105,282</u>

8. NET ASSETS

The Society is required to report 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 following is additional detail as to the components of the Society's classes of net assets at December 31, 2011 and 2010:

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

8. NET ASSETS (CONTINUED)

	<u>2011</u>	<u>2010</u>
Unrestricted Net Assets (Accumulated Deficit):		
Property, Net of Debt	\$ 436,131	\$ 437,214
Fund Raising	358,826	284,134
Other	<u>(66,982)</u>	<u>(54,953)</u>
Total Unrestricted Net Assets	<u>727,975</u>	<u>666,395</u>
Temporarily Restricted Net Assets:		
Fund Raising - Endowment Fund	67,967	55,939
Legal Services Corporation - Cash	148,320	154,716
Legal Services Corporation - Property	129,911	166,150
Department of Criminal Justice Service - Property	8,332	12,402
Interest on Lawyers Account - Cash	<u>803,050</u>	<u>690,387</u>
Total Temporarily Restricted Net Assets	<u>1,157,580</u>	<u>1,079,594</u>
Total Net Assets	<u>\$ 1,885,555</u>	<u>\$ 1,745,989</u>

9. LEASE COMMITMENTS

The Society has three noncancellable operating lease agreements, absent significant defunding which would allow early termination, for the rental of office space in Canton, Saratoga and Amsterdam, New York expiring February 2014, February 2012 and January 2012 (month-to-month), respectively. Total rent expense was \$69,814 and \$68,814 for the years ended December 31, 2011 and 2010, respectively.

In May 2010 the Society renewed a lease for three photocopiers for an aggregate monthly rent of \$409 expiring May 2015. Total rent expense was \$4,908 for the years ended December 31, 2011 and 2010.

The future lease payments for all long-term leases identified above are as follows:

2012	\$ 31,141
2013	24,408
2014	8,158
2015	<u>2,045</u>
	<u>\$ 65,752</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011 AND 2010

10. EMPLOYEE BENEFITS

Under a collective bargaining agreement between the Society and Consolidated Legal Aid Workers, the Society may contribute an amount up to 5% of certain eligible employees' compensation earned during the year to separate annuity contracts in the name of each employee to provide benefits at retirement. By agreement of the parties, there was \$94,060 and \$185,916 contributed for the years ended December 31, 2011 and 2010, respectively, which represents a 5% and 10% contribution, respectively, as the Board authorized an additional 5% contribution in 2010.

11. OTHER CONTINGENCIES

At various times during 2011 and 2010, the Society's bank accounts exceeded the Federal Deposit Insurance Corporation limit of \$250,000 per banking institution. However, these funds were used by the Society for immediate operating expenses.

OTHER FINANCIAL INFORMATION

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECEIPT 233010
SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Legal Services Corporation	Homless Prevention	Disability and Protection Advocacy	Interest on Lawyers Account	JCLS	NYS Legislative	Domestic Violence	Senior Legal Services	HIV/AIDS Programs	Other	Property	Management and General	Fund Raising	Total
Support and Revenue														
Contracts and Grants	\$ 1,483,208	\$ 1,374,752	\$ 552,262	\$ 968,268	\$ 391,875	\$ 218,121	\$ 359,354	\$ 61,510	\$ 83,737	\$ 338,682	\$ -	\$ 5,000	\$ -	\$ 5,836,769
Contributions, Fundraising and Donated Services	-	-	-	-	-	-	-	-	-	-	-	-	283,099	283,099
Interest Income	470	-	-	-	-	-	-	-	-	-	-	-	1,138	1,608
Miscellaneous	638	-	-	-	-	-	-	-	-	-	-	14,392	(2,741)	12,289
Total Support and Revenue	1,484,316	1,374,752	552,262	968,268	391,875	218,121	359,354	61,510	83,737	338,682	-	19,392	281,496	6,133,765
Expenses														
Salaries and Wages														
Lawyers	341,177	576,553	314,148	170,936	109,159	38,507	157,190	30,426	40,793	194,786	-	173,595	47,124	2,194,394
Other Staff	75,192	127,067	69,236	37,673	24,038	8,487	34,643	6,706	8,990	42,929	-	38,259	10,386	483,626
Paralegals	113,916	192,506	104,891	57,074	36,447	12,857	52,484	10,159	13,620	65,037	-	57,962	15,734	732,687
Employee Benefits	174,277	294,506	160,469	125,367	55,759	19,669	80,293	15,542	20,837	99,498	-	88,674	24,071	1,158,962
Contract Services - Clients	-	450,621	5,001	5,001	-	-	55,956	4,163	-	-	-	-	600	516,341
Contract Services - Program	16,318	25,322	11,362	14,344	3,948	1,393	6,036	1,310	2,762	7,191	-	14,798	16,725	121,509
Audit and Accounting	3,421	5,781	3,150	1,714	1,094	386	1,576	305	409	1,953	-	1,740	472	22,001
Legal and Professional Fees	-	-	-	-	-	-	-	-	-	-	-	7,233	-	7,233
Travel	6,862	21,375	9,395	1,767	2,467	370	11,124	1,807	714	8,637	-	5,716	2,601	72,835
Training	12,110	11,568	5,244	2,413	2,459	544	6,281	633	730	4,327	-	2,469	3,160	51,938
Occupancy	20,549	34,725	18,921	10,295	6,575	2,319	9,467	1,833	462	11,732	-	10,456	2,838	132,167
Repairs and Maintenance	3,861	6,525	3,556	1,935	1,235	436	1,779	344	462	2,205	-	1,965	533	24,836
Office Expense	21,560	22,611	12,162	6,617	4,225	1,491	6,337	1,178	1,630	8,354	-	6,720	16,525	109,410
Telephone	5,766	9,745	5,310	2,889	1,845	651	2,680	514	689	4,392	-	2,934	1,890	39,305
Library	11,598	19,599	10,679	5,811	3,711	1,309	5,343	1,034	1,659	7,267	-	-	-	68,010
Insurance	3,645	6,160	3,357	1,826	1,166	411	1,680	325	436	2,081	-	1,006	273	22,366
Professional Dues	1,718	2,904	1,582	17,328	550	194	792	153	205	1,106	-	157	43	26,732
Equipment Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-
and Maintenance	5,144	8,693	4,737	2,577	1,646	581	2,370	459	615	3,287	-	2,617	711	33,437
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	91,785
Litigation	1,028	2,099	464	28	152	6	1,218	120	156	985	-	92	25	6,373
Interest and Bank Charges	1,035	1,749	953	9,046	331	117	477	92	124	591	-	526	1,539	16,580
Bad Debts	-	-	-	-	-	-	3,905	-	-	-	-	-	4,473	8,378
Other Expense	8,946	1,504	800	4,334	278	98	400	1,517	827	22,320	-	440	11,830	53,294
Total Expenses	828,123	1,821,613	740,416	478,975	257,105	89,826	442,031	78,620	98,115	488,678	91,785	417,359	161,553	5,994,199
Increase (Decrease) of Support and Revenue Over Expenses before Administrative and Overhead Allocations	656,193	(446,861)	(188,154)	489,293	134,770	128,295	(82,677)	(7,110)	(14,378)	(149,996)	(91,785)	(397,967)	119,943	139,566
Allocation of Administrative Costs	(60,084)	(132,167)	(53,721)	(34,752)	(18,654)	(6,517)	(32,072)	(5,704)	(7,120)	(35,456)	-	397,967	(11,720)	-
Reallocation of Reimbursed Costs for Matching Purposes	(601,015)	579,028	241,875	(341,878)	(116,116)	(121,778)	114,749	22,814	21,498	200,823	-	-	-	-
Other Changes in Net Assets - Acquisition of Property	(1,490)	-	-	-	-	-	-	-	-	(15,371)	21,861	-	(5,000)	-
Other Changes in Net Assets - Debt Payments and Proceeds, Net	-	-	-	-	-	-	-	-	-	-	28,532	-	(28,532)	-
Net Assets, Beginning of Year	154,716	-	-	690,387	-	-	-	-	-	-	616,251	-	284,135	1,745,980
Net Assets, End of Year	\$ 148,320	\$ -	\$ -	\$ 803,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,359	\$ -	\$ 358,826	\$ 1,885,555

See independent auditor's report.

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2013 Program Year Funding --***

**Attachment D
2011 A-133 Audit**

*THE LEGAL AID SOCIETY
OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010*

*OFFICE OF MANAGEMENT AND BUDGET
CIRCULAR A-133 REPORTS
FOR THE YEAR ENDED DECEMBER 31, 2011*

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
OFFICE OF MANAGEMENT AND BUDGET
CIRCULAR A-133 REPORTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: INFO@CUSACKCPA.COM
WWW.CUSACKCPA.COM

CLIFTON PARK/HALFMOON OFFICE
(518) 664-7063
FAX (518) 541-3083

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
The Legal Aid Society of
Northeastern New York, Inc.
Albany, New York

We have audited the financial statements of The Legal Aid Society of Northeastern New York, Inc. as of and for the year ended December 31, 2011 and have issued our report thereon dated April 24, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered The Legal Aid Society of Northeastern New York, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 Legal Aid Society of Northeastern New York, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether The Legal Aid Society of Northeastern New York, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

This report is intended for the information of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 24, 2012

CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
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WWW.CUSACKCPA.COM

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Board of Directors
The Legal Aid Society
of Northeastern New York, Inc.
Albany, New York

COMPLIANCE

We have audited the compliance of The Legal Aid Society of Northeastern New York, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2011. The Legal Aid Society of Northeastern New York, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Legal Aid Society of Northeastern New York, Inc.'s management. Our responsibility is to express an opinion on The Legal Aid Society of Northeastern New York, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Legal Aid Society of Northeastern New York, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Legal Aid Society of Northeastern New York, Inc.'s compliance with those requirements.

In our opinion, The Legal Aid Society of Northeastern New York, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

INTERNAL CONTROL OVER COMPLIANCE

The management of The Legal Aid Society of Northeastern New York, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The Legal Aid Society of Northeastern New York, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Legal Aid Society of Northeastern New York, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

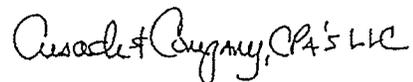
A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of The Legal Aid Society of Northeastern New York, Inc. as of and for the year ended December 31, 2011, and have issued our report thereon dated April 24, 2012. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 24, 2012

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>LSC Recipient Number/CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Disbursements/Expenditures</u>
<u>Legal Services Corporation:</u>			
Legal Services Corporation - Albany	09.233010	-	\$ 1,483,208
Total Legal Services Corporation			<u>1,483,208</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Housing and Urban Development - Community Development Block Grant	14.218	-	10,260
Housing and Urban Development - Community Development Block Grant (Pass-Through)	14.218	14-1505559	1,039
Housing and Urban Development - Legal Aid Society Homelessness Unit (Pass-Through)	14.235	14-1636163	30,787
Housing and Urban Development - Legal Aid Society Homelessness Unit	14.235	-	88,593
Housing and Urban Development - Homelessness Prevention and Rapid Rehousing Program (Pass-Through) - ARRA	14.257	14-6013200	410,597
Housing and Urban Development - Homelessness Prevention and Rapid Rehousing Program - ARRA	14.257	-	304,138
Total U.S. Department of Housing and Urban Development			<u>845,414</u>
<u>U.S. Department of Justice</u>			
Office of Justice Programs - Domestic Violence Legal Assistance Program	16.524	-	277,312
Passed Through New York State Division of Criminal Justice:			
Violence Against Women STOP Grant - ARRA	16.588	-	9,113
Total U.S. Department of Justice			<u>286,425</u>
<u>U.S. Department of Education</u>			
State Fiscal Stabilization (Pass-Through) - ARRA	84.397	14-1675062	334,684
State Fiscal Stabilization (Pass-Through) - ARRA	84.397	14-1635645	7,793
Total U.S. Department of Education			<u>342,477</u>
<u>U.S. Department of Health and Human Services:</u>			
Temporary Assistance for Needy Families	93.558	-	42,215
Nutrition Consortium (Pass-Through)	93.045	22-2954760	189,157
Passed Through New York State Commission on Quality of Care APD:			
Protection and Advocacy for Developmentally Disabled	93.630	14-6013200	88,200
Protection and Advocacy for Mentally Ill	93.630	14-6013200	31,500
Total U.S. Department of Health and Human Services			<u>351,072</u>
Total Expenditures of Federal Awards			<u>\$ 3,308,596</u>

See accompanying independent auditor's report and notes to schedule of expenditures of federal awards.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all federal financial assistance programs of The Legal Aid Society of Northeastern New York, Inc, LSC Recipient 233010 (the "Society"), for the year ended December 31, 2011. The Society is described in Note 1 to the basic financial statements. Federal awards received directly from federal agencies as well as federal financial assistance, if any, passed through other government or not-for-profit agencies are included on the Schedule. All LSC awards received by the Society were considered major programs for the year ended December 31, 2011.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting used by the Society to report to the Federal Government.

Relationship to Financial Statements

Federal awards revenue are reported in the Society's financial statements as grant revenue. The Society's financial statements are presented using the accrual basis of accounting.

2. LOAN OUTSTANDING

The Legal Aid Society of Northeastern New York, Inc. has no loan balances outstanding at December 31, 2011 in which the Society is a lender.

3. SUBRECIPIENTS

The Legal Aid Society of Northeastern New York, Inc. provided federal awards to subrecipients as follows:

<u>Project Title</u>	<u>Federal CFDA/ LSC Recipient Numbers</u>	<u>Amount Provided</u>
Office of Justice Programs - Domestic Violence		
Legal Assistance Program Subrecipients:		
Catholic Charities of Schoharie County	16.524	\$ 4,341
Catholic Charities of Saratoga, Warren and Washington Counties	16.524	5,394
Catholic Charities of Fulton and Montgomery Counties	16.524	6,250
Behavioral Health Services North	16.524	5,171
St. Lawrence Valley Renewal House	16.524	5,651
Community Action of Greene County	16.524	5,000
Mechanicville Area Community Service Center	16.524	3,600
Domestic Violence and Rape Crisis Services of Saratoga County	16.524	3,500
Family Counseling Center of Fulton County	16.524	5,000
Housing and Urban Development - Homelessness Prevention and		
Rapid Rehousing Program Subrecipients:		
Catholic Charities of Fulton and Montgomery Counties	14.257	14,066
Catholic Charities of Schoharie County	14.257	9,937
		<u>\$ 67,910</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

"Going Concern" explanatory paragraph included in audit report	_____ yes	<u> X </u> no
Significant deficiency(ies) disclosed?	_____ yes	<u> X </u> no
Significant deficiency(ies) reported as material weakness(es)?	_____ yes	<u> X </u> no
Material noncompliance disclosed?	_____ yes	<u> X </u> no

FEDERAL AWARDS

Internal control over major programs:

Significant deficiency(ies) disclosed?	_____ yes	<u> X </u> no
Significant deficiency(ies) reported as material weakness(es)?	_____ yes	<u> X </u> no
Any known questioned costs reported?	_____ yes	<u> X </u> no

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes X no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER(S)</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
09.233010	Legal Services Corporation
14.257	Homelessness Prevention and Rapid Rehousing Program - ARRA
84.397	State Fiscal Stabilization Government Services Fund - ARRA

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings or matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or matters were reported.