

APPLICATION FOR  
**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM**  
-- 2015 Program Year Funding--

ACTIVITY NAME: Homelessness Prevention Project

APPLICANT: Legal Aid Society of Northeastern New York, Inc.

MAILING ADDRESS: 40 New 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

141338448 (List Federal ID#) \_\_\_\_\_ (Specify)

(List Dept.)

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: \$ 5,333

Total Activity Cost \$ 21,333

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 20, 2015

(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. If fully funded, the HPP will be expanded.

### 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 20.5% 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:

“Lillian” lived in private housing for a several years owned by the landlord's mother; after transfer of the property to the current landlord the relationship broke down. Lillian had a

month-to-month tenancy and received notice of a rent increase. When she paid the formerly agreed-upon rent amount the landlord brought an illegal non-payment petition. We represented Lillian and the landlord's petition was dismissed. We advised Lillian that the landlord would likely try to end her tenancy legally and she was looking for alternate permanent housing so she would not become homeless. Although Lillian had a possible defense again as the landlord's acceptance of the rent in the interim constituted a waiver of the termination and renewed the tenancy, she decided to vacate the premises instead of continuing to fight with the landlord. A settlement was reached that allowed Lillian more time to find alternate housing which she did.

The HPP attorney met "Maria" in court. The landlord had alleged an arrears amount in excess of \$2,400 in rent and other costs and fees. We negotiated an agreement that terminated the tenancy by mutual agreement and reduced the amount of the arrears to \$800 and allowed her to make these payments over time. Maria did not become homeless.

In the 2013-2014 grant period, the HPP served 48 new households and prevented involuntary homelessness for 27 of them, benefitting 41 extremely low, low or moderate income persons. The HPP also supported \_\_\_ trainings in housing law to local social services agencies.

During this program year, the HPP staff attorney, Stuart Kaufman, continued the "attorney in the court room" program in Saratoga City Court where he is available at court on a weekly basis when the landlord/tenant cases are heard to assist individuals who are financially eligible for HPP legal services, with advice and representation to help them resolve their housing issues. The HPP staff attorney also continued to participate in and attend meetings of the Saratoga Housing Alliance as his schedule allows.

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, 2014 to December 31, 2014, we handled 22 requests for assistance, preventing homelessness for nine households, benefitting 23 people. Project intake continues to be on track with three new intakes as of January 23, 2015.

### 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 2014 financial guidelines, a household of four cannot have a monthly gross income greater than \$2,484 (annualized at \$29,813). 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 70% of the households who receive full 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, 2015
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, 2016

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 40 New Street. The Saratoga staff consists of 10 attorneys, three paralegals and two support staff. Our current annual budget is \$7,271,775. Attached is a copy of our current Board officers and members. Our Saratoga Springs Board member and current Board President 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
July 1, 2013 - June 30, 2014	Homelessness Prevention Project	8,378
July 1, 2014 - June 30, 2015	Homelessness Prevention Project	8,447
July 1, 2014 - June 30, 2015	The Right Place Project	10,557

B. LASNNY's Experience -- In 2013, LASNNY closed 8,428 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 73,635 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, 2014, have served 22 of our projected 30 households.

C. HPP staff include:

Stuart Kaufman - \$13,521 – 20.5% FTE Staff Attorney (or about seven 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 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 Judiciary Civil Legal Services (JCLS) funding. JCLS funds are received to fund legal services to income-eligible clients. Services are provided consistent with our primary federal funder, the Legal Services Corporation's requirements and restrictions.<sup>1</sup>

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<sup>1</sup> 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
<b>PERSONNEL</b>				
Salaries	12,308	2,404	14,712	<i>Judiciary Civil Legal Services</i>
Fringe	3,692	722	4,414	<i>Judiciary Civil Legal Services</i>
Other (consultants, etc.)				
<i>Subtotal</i>	16,000	3,126	19,126	

<b>OVERHEAD</b>				
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	2,155	2,155	<i>Judiciary Civil Legal Services</i>
<i>Audit</i>	0	52	52	<i>Judiciary Civil Legal Services</i>
<i>Subtotal</i>	0	2,207	2,207	

<b>TOTAL COST</b>	<b>\$16,000</b>	<b>\$5,333</b>	<b>\$21,533</b>
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**Attachment to  
Program Operating Budget**

Position	Salary	%Time on Grant	Project Cost	CDBG Funds	Match	% CDBG
Staff Attorney	\$65,824	20.5%	13,521	12,308	1,213	91%
Supv. Attorney	105,572	.3%	317	0	317	0%
Executive Director	163,813	.3%	491	0	491	0%
Fiscal Director	84,084	.3%	252	0	252	0%
Legal Secretary	43,826	.3%	131	0	131	0%
TOTAL SALARIES		23.6%				
Fringe @ 30%			4,414	3,692	722	84%
PERSONNEL SUBTOTAL			19,126	16,000	3,126	
Program Costs*			2,155	0	2,155	
Audit			52	0	52	0%
NON-PERSONNEL SUBTOTAL			2,207	0	2,207	
TOTAL PROJECT COST			21,333	16,000	5,333	75%

**\*Program Costs:**

Space	637
Insurance	49
Library	142
Supplies	247
Travel	191
Training	352
Equip. Rental	81
Dues & Fees	143
Contract Svcs.	313

(Attachment 3)  
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133  
MONITORING OF FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS

ORGANIZATION: Legal Aid Society of Northeastern New York, Inc.

MAILING ADDRESS: 55 Colvin Avenue, Albany, NY 12206

FEDERAL ID# 14-1338448 PHONE: (518) 462-6765 FAX: (518) 427-8352

1. Please identify your fiscal year: January 1 to December 31

Please identify below the funding received during your last fiscal year:

2. Community Development Block Grant Entitlement Funding (CDBG):

CDBG Activity Name: Homelessness Prevention Program

CDBG Funding Program Year: 7/14 - 6/15 CDBG Funding Amount: \$8,447

3. Other Federal Financial Awards (cash & non-cash):

GIVE NAME & CATALOG OF FEDERAL FINANCIAL ASSISTANCE (CDFA) #	AMOUNT OF AWARDS
<u>Legal Services Corporation 10.233010</u>	<u>\$1,235,658</u>
<u>US Dept. Housing &amp; Urban Development 14.235</u>	<u>\$ 30,694</u>
<u>US Department of Treasury/LITC 21,008</u>	<u>\$ 85,000</u>
<u>US Department of Justice 16.524</u>	<u>\$ 440,000</u>

4. During your last fiscal year, has your organization expended more than \$300,000 in total federal financial awards (inc. CDBG and all other federal assistance)? YES\*  NO

\*If "yes", include a copy of your latest Single Audit Report with this completed and signed form as part of your application. If you answered "No", please complete, sign and return this form.

5. Are you aware of any financial audit violations, findings or questioned costs relating to any activity funded with federal financial assistance?

YES\*  NO

\*If yes, please describe:

6. Other Saratoga County Awards (cash & non-cash):

IDENTIFY PROGRAM NAME & YEAR OF AWARD	IDENTIFY AMOUNT OF CO. AWARDS
_____	_____
_____	_____
_____	_____
_____	_____

\_\_\_\_\_  
Authorized Signature

JANUARY 20, 2015  
Date

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2015 Program Year Funding --***

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

APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM  
*-- 2015 Program Year Funding --*

LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK  
BOARD OF DIRECTORS

PRESIDENT

Ronald J. Kim, Esq.

1ST VICE PRESIDENT

Sanjeeve DeSoyza, Esq.

2ND VICE PRESIDENT

Karen Kenison

TREASURER

Thomas O'Connor, Esq.

SECRETARY

Andrew Schrader, Esq.

MEMBERS

Mathew Barry, Esq.

John Caffry, Esq.

Jasmine Cenicerros

Cathy Clark

Jondavid DeLong, Esq.

Benjamin Fishman

Stephen Johnston, Esq.

Edward Kaplan, Esq.

Victor Mazzotti, Esq.

William S. Nolan, Esq.

Patricia Okoumou

Nicholas Pignone, Esq.

Charles Robinson

Patricia L.R. Rodriguez, Esq.

Bethany Schumann-McGhee, Esq.

Shaton Vance

Jenifer Wharton, Esq.

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2015 Program Year Funding --***

**Attachment B  
Evidence of Match Funds**



**NEW YORK STATE**  
**Unified Court System**

OFFICE OF COURT ADMINISTRATION

HON. A. GAIL PRUDENTI  
CHIEF ADMINISTRATIVE JUDGE

RONALD P. YOUNKINS, ESQ.  
EXECUTIVE DIRECTOR

September 10, 2014

Ms. Lillian Moy  
Executive Director  
Legal Aid Society of Northeastern New York  
55 Colvin Avenue  
Albany, New York 12206

Dear Ms. Moy:

I am pleased to inform you that, pursuant to Judiciary Civil Legal Services RFP #003, your organization has been awarded a \$760,180 grant for the 2014-15 period by the Oversight Board for Judiciary Civil Legal Services Funds in New York in the counties listed below. The complete list of awards is available at [www.nycourts.gov/Admin/bids/PDFs/003\\_Award\\_List.pdf](http://www.nycourts.gov/Admin/bids/PDFs/003_Award_List.pdf).

County	Funding Amount
Albany	\$98,608
Clinton	\$52,821
Columbia	\$28,111
Essex	\$24,595
Franklin	\$34,108
Pulton	\$42,936
Greene	\$28,166
Hamilton	\$2,769
Montgomery	\$39,220
Rensselaer	\$74,666
Saratoga	\$83,006
Schenectady	\$72,735
Schoharie	\$17,943
St. Lawrence	\$87,461
Warren	\$34,347
Washington	\$38,688

The funding your organization has been awarded may differ from the amount requested in the grant application submitted. If this is the case, we will need a revised budget from you that reflects the award amount in order to complete the contract process. Please send an email with the subject line "JCLS Contact Information" to [JudiciaryCLS@nycourts.gov](mailto:JudiciaryCLS@nycourts.gov) providing the fiscal and programmatic contacts for your Judiciary Civil Legal Services program so that we may send you the appropriate electronic forms for your completion.

If you have any questions or need additional information, please feel free to contact Ms. Monique Taylor at 212-428-2522 or by email: [mocoloma@nycourts.gov](mailto:mocoloma@nycourts.gov).

Sincerely,

  
Ronald P. Younkins

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2015 Program Year Funding --***

**Attachment C  
2013 Financial Audit**

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

*FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
DECEMBER 31, 2013 AND 2012*

*THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.*  
*LSC RECIPIENT 233010*  
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*DECEMBER 31, 2013 AND 2012*

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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

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
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 financial statements of The Legal Aid Society of Northeastern New York, Inc. (a nonprofit organization), LSC Recipient 233010, which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Legal Aid Society of Northeastern New York, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support, revenue, expenses and changes in net assets on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2014 on our consideration of The Legal Aid Society of Northeastern New York, Inc.'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* in considering The Legal Aid Society of Northeastern New York, Inc.'s internal control over financial reporting and compliance.

The audit partner responsible for the 2013 and 2012 audits of The Legal Aid Society of Northeastern New York, Inc., LSC Recipient 233010, is John A. Criscione, CPA. The employer ID# for Cusack & Company, CPA's LLC is 14-1800427.



**CUSACK & COMPANY, CPA'S, LLC**

Latham, New York  
April 10, 2014

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Cash Equivalents	\$ 780,105	\$ 1,498,865
Client Escrow Funds	34,674	32,767
Grants and Accounts Receivable, Net of Allowance	1,282,312	643,014
Promises to Give, Net of Allowance	174,367	156,887
Prepaid and Other Current Assets	64,964	46,729
Total Current Assets	<u>2,336,422</u>	<u>2,378,262</u>
Property		
Land, Building and Equipment, at Cost	2,315,478	1,514,391
Less: Accumulated Depreciation	<u>(945,785)</u>	<u>(867,551)</u>
Total Property, Net	<u>1,369,693</u>	<u>646,840</u>
Other Assets		
Endowment Funds	196,880	155,505
Tuition Loan Program	53,003	37,160
Security Deposits	5,495	5,495
Total Other Assets	<u>255,378</u>	<u>198,160</u>
 Total Assets	 <u>\$ 3,961,493</u>	 <u>\$ 3,223,262</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities		
Line of Credit Payable	\$ 500,000	\$ -
Short-term Mortgage Payable	71,000	-
Current Portion of Long-Term Debt	37,612	6,861
Accounts Payable	283,619	196,347
Accrued Expenses	329,317	294,402
Client Trust Deposits	34,674	32,767
Deferred Revenues	120,477	592,932
Total Current Liabilities	<u>1,376,699</u>	<u>1,123,309</u>
Noncurrent Liabilities		
Long-Term Debt, Net of Current Portion	<u>662,766</u>	<u>72,111</u>
 Total Liabilities	 <u>2,039,465</u>	 <u>1,195,420</u>
Net Assets		
Unrestricted	696,636	673,301
Temporarily Restricted	<u>1,225,392</u>	<u>1,354,541</u>
Total Net Assets	<u>1,922,028</u>	<u>2,027,842</u>
 Total Liabilities and Net Assets	 <u>\$ 3,961,493</u>	 <u>\$ 3,223,262</u>

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

*LSC RECIPIENT 233010*

*STATEMENT OF ACTIVITIES*

*FOR THE YEAR ENDED DECEMBER 31, 2013*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,209,161	\$ 1,209,161
Legal Services Corporation TIG	-	23,880	23,880
Disability Advocacy Program	-	309,318	309,318
Interest on Lawyers Account	-	986,181	986,181
Community Development Block Grants	-	8,189	8,189
Contributions, Fund Raising & Donated Services	356,636	17,109	373,745
Interest Income	365	2,229	2,594
Unrealized Gain on Endowment Fund	-	24,527	24,527
DCJS Legislative Item	-	21,892	21,892
Senior Legal Services/Office for the Aging	-	68,849	68,849
STOP Grants	-	67,540	67,540
Legal Aid Society Homelessness Unit	-	145,861	145,861
Miscellaneous	103,535	2,820	106,355
Other Local Grants	-	94,385	94,385
Division of Criminal Justice Services (DCJS)	-	58,702	58,702
Protection and Advocacy Programs	-	168,810	168,810
Nutrition Consortium	-	445,306	445,306
Domestic Violence Legal Assistance Program	-	99,064	99,064
NYS Solutions to End Homelessness	-	414,654	414,654
AG Homeowner Protection Program (HOPP)	-	403,457	403,457
NYS Judiciary CLS	-	1,755,360	1,755,360
Low Income Taxpayer Clinic Program	-	66,496	66,496
Emergency Shelter Grants	-	79,837	79,837
Net Assets Released from Restrictions	<u>6,602,776</u>	<u>(6,602,776)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>7,063,312</u>	<u>(129,149)</u>	<u>6,934,163</u>
Expenses			
Legal Services	6,359,039	-	6,359,039
Management and General	421,776	-	421,776
Fund Raising	<u>259,162</u>	<u>-</u>	<u>259,162</u>
Total Expenses	<u>7,039,977</u>	<u>-</u>	<u>7,039,977</u>
Increase (Decrease) in Net Assets	23,335	(129,149)	(105,814)
Net Assets at Beginning of Year	<u>673,301</u>	<u>1,354,541</u>	<u>2,027,842</u>
Net Assets at End of Year	<u>\$ 696,636</u>	<u>\$ 1,225,392</u>	<u>\$ 1,922,028</u>

**THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.**  
**LSC RECIPIENT 233010**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,265,773	\$ 1,265,773
Legal Services Corporation TIG	-	71,640	71,640
Disability Advocacy Program	-	431,875	431,875
Interest on Lawyers Account	-	985,000	985,000
Community Development Block Grants	-	9,030	9,030
Contributions, Fund Raising & Donated Services	197,213	76,647	273,860
Interest Income	2,331	-	2,331
Unrealized Gain on Endowment Fund	10,395	-	10,395
DCJS Legislative Item	-	12,089	12,089
Senior Legal Services/Office for the Aging	-	61,758	61,758
STOP Grants	-	71,297	71,297
Legal Aid Society Homelessness Unit	-	125,027	125,027
Miscellaneous	87,855	14,035	101,890
Other Local Grants	-	89,218	89,218
Division of Criminal Justice Services (DCJS)	-	57,790	57,790
Protection and Advocacy Programs	-	133,471	133,471
Nutrition Consortium	-	247,058	247,058
Domestic Violence Legal Assistance Program	-	314,835	314,835
NYS Housing Trust Fund Corp	-	311,398	311,398
NYS Solutions to End Homelessness	-	216,290	216,290
Foreclosure Prevention Program	-	6,303	6,303
Homelessness Prevention and Rapid Rehousing Program	-	75,593	75,593
NYS Judiciary CLS	-	1,378,269	1,378,269
Emergency Shelter Grants	-	22,718	22,718
Net Assets Released from Restrictions	<u>5,780,153</u>	<u>(5,780,153)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>6,077,947</u>	<u>196,961</u>	<u>6,274,908</u>
Expenses			
Legal Services	5,473,395	-	5,473,395
Management and General	473,954	-	473,954
Fund Raising	<u>185,272</u>	<u>-</u>	<u>185,272</u>
Total Expenses	<u>6,132,621</u>	<u>-</u>	<u>6,132,621</u>
Increase (Decrease) in Net Assets	(54,674)	196,961	142,287
Net Assets at Beginning of Year	<u>727,975</u>	<u>1,157,580</u>	<u>1,885,555</u>
Net Assets at End of Year	<u>\$ 673,301</u>	<u>\$ 1,354,541</u>	<u>\$ 2,027,842</u>

*THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.*  
*LSC RECIPIENT 233010*  
*STATEMENTS OF CASH FLOWS*  
*FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012*

	<u>2013</u>	<u>2012</u>
Increase (Decrease) in Net Assets	\$ (105,814)	\$ 142,287
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	78,234	84,776
Bad Debt Expense	62,135	30,878
Unrealized Gain on Endowment Funds	(24,527)	(10,395)
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Promises to Give	(38,026)	(16,815)
Grants and Accounts Receivable	(680,887)	486,368
Prepaid and Other Current Assets	(18,235)	66,889
Endowment Fund	(16,848)	(77,143)
Tuition Loan Program	(15,843)	9,993
Security Deposits	-	(1,640)
Increase (Decrease) in Liabilities		
Accounts Payable	87,272	2,727
Accrued Expenses	34,915	(90,298)
Deferred Revenues	<u>(472,455)</u>	<u>47,294</u>
Net Cash Provided By (Used In) Operating Activities	<u>(1,110,079)</u>	<u>674,921</u>
Cash Flow Used In Investing Activities:		
Purchase of Land, Building and Equipment	<u>(801,087)</u>	<u>(51,960)</u>
Net Cash Used In Investing Activities	<u>(801,087)</u>	<u>(51,960)</u>
Cash Flow Provided By (Used In) Financing Activities:		
Net Proceeds (Payments) on Mortgages Payable	621,406	(26,310)
Net Proceeds (Payments) from Line of Credit	500,000	(265,000)
Net Proceeds from Short-term Mortgage Payable	<u>71,000</u>	<u>-</u>
Net Cash Provided By (Used In) Financing Activities	<u>1,192,406</u>	<u>(291,310)</u>
Increase (Decrease) in Cash and Cash Equivalents	(718,760)	331,651
Cash and Cash Equivalents, Beginning of Year	<u>1,498,865</u>	<u>1,167,214</u>
Cash and Cash Equivalents, End of Year	<u>\$ 780,105</u>	<u>\$ 1,498,865</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	<u>\$ 20,460</u>	<u>\$ 8,747</u>
Other Non-Cash Activities		
In-Kind Donation of Legal Services	<u>\$ 4,525</u>	<u>\$ 3,384</u>

**THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.**  
**LSC RECIPIENT 233010**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Legal Services				Supporting Services			Total Expenses
	Private Attorney Involvement	Technology Initiative Grant	General Client	Total	Management and General	Fund Raising	Total	
Expenses								
Salaries and Wages								
Lawyers	\$ 24,427	\$ 776	\$ 2,792,704	\$ 2,817,907	\$ 18,649	\$ 7,786	\$ 26,435	\$ 2,844,342
Non-Lawyers	117,327	114	1,007,583	1,125,024	268,233	82,700	350,933	1,475,957
Employee Benefits	48,120	184	1,255,608	1,303,912	89,330	27,382	116,712	1,420,624
Contract Services	4,107	45,360	178,002	227,469	7,955	12,531	20,486	247,955
Audit and Accounting	-	3	24,364	24,367	1,701	521	2,222	26,589
Legal and Professional Fees	-	-	-	-	4,525	-	4,525	4,525
Travel and Training	5,902	4	122,328	128,234	3,016	2,405	5,421	133,655
Occupancy	-	20	141,107	141,127	9,845	3,091	12,936	154,063
Repairs and Maintenance	-	3	23,457	23,460	1,638	502	2,140	25,600
Office Expense	2,360	18	134,950	137,328	8,913	16,541	25,454	162,782
Telephone	1,363	6	41,660	43,029	2,805	2,019	4,824	47,853
Library	-	12	86,729	86,741	27	8	35	86,776
Insurance	-	3	23,116	23,119	764	234	998	24,117
Professional Dues	-	-	36,637	36,637	38	167	205	36,842
Equipment Rental and Maintenance	-	8	53,956	53,964	3,767	1,420	5,187	59,151
Depreciation	-	-	78,234	78,234	-	-	-	78,234
Litigation	3,039	-	18,041	21,080	172	53	225	21,305
Interest and Bank Charges	-	-	20,461	20,461	-	3,021	3,021	23,482
Bad Debts	-	-	-	-	-	62,135	62,135	62,135
Other Expense	3,844	209	62,893	66,946	398	36,646	37,044	103,990
<b>Total Expenses</b>	<b>\$ 210,489</b>	<b>\$ 46,720</b>	<b>\$ 6,101,830</b>	<b>\$ 6,359,039</b>	<b>\$ 421,776</b>	<b>\$ 259,162</b>	<b>\$ 680,938</b>	<b>\$ 7,039,977</b>

See accompanying notes and independent auditor's report.

**THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.**  
**LSC RECIPIENT 233010**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Legal Services				Supporting Services			Total Expenses
	Private Attorney Involvement	Technology Initiative Grant	General Client	Total	Management and General	Fund Raising	Total	
Expenses								
Salaries and Wages								
Lawyers	\$ 26,199	\$ 3,684	\$ 2,283,211	\$ 2,313,094	\$ 53,027	\$ 8,661	\$ 61,688	\$ 2,374,782
Non-Lawyers	111,975	-	849,895	961,870	264,058	72,586	336,644	1,298,514
Employee Benefits	49,224	631	1,078,569	1,128,424	100,367	25,674	126,041	1,254,465
Contract Services	967	64,443	290,219	355,629	16,669	11,089	27,758	383,387
Audit and Accounting	-	12	21,084	21,096	1,948	496	2,444	23,540
Legal and Professional Fees	-	-	-	-	3,384	-	3,384	3,384
Travel and Training	5,010	402	109,331	114,743	5,572	2,293	7,865	122,608
Occupancy	-	66	114,528	114,594	10,580	2,744	13,324	127,918
Repairs and Maintenance	-	10	16,491	16,501	1,524	388	1,912	18,413
Office Expense	3,385	56	109,021	112,462	8,996	17,185	26,181	138,643
Telephone	511	19	34,613	35,143	3,079	1,943	5,022	40,165
Library	-	44	74,481	74,525	-	-	-	74,525
Insurance	-	13	21,917	21,930	708	180	888	22,818
Professional Dues	-	-	12,549	12,549	-	-	-	12,549
Equipment Rental and Maintenance	22	116	31,300	31,438	2,986	879	3,865	35,303
Depreciation	-	-	84,776	84,776	-	-	-	84,776
Litigation	1,197	1	12,225	13,423	93	24	117	13,540
Interest and Bank Charges	-	-	9,363	9,363	-	2,044	2,044	11,407
Bad Debts	-	-	10,678	10,678	-	20,200	20,200	30,878
Other Expense	4,385	6	36,766	41,157	963	18,886	19,849	61,006
<b>Total Expenses</b>	<b>\$ 202,875</b>	<b>\$ 69,503</b>	<b>\$ 5,201,017</b>	<b>\$ 5,473,395</b>	<b>\$ 473,954</b>	<b>\$ 185,272</b>	<b>\$ 659,226</b>	<b>\$ 6,132,621</b>

See accompanying notes and independent auditor's report.

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS*

*DECEMBER 31, 2013 AND 2012*

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**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 17.8% and 21.3% of the Society's support for the years ended December 31, 2013 and 2012, 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 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.

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2013 AND 2012*

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Support and Revenue (Continued)*

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.

*Expense Allocation*

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.

*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.

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2013 AND 2012*

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Reclassifications*

Certain 2012 financial statement amounts have been reclassified to conform to 2013 financial statement presentation.

*Fair Value*

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 following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

*Cash, client escrow accounts, grants and accounts receivable, promises to give, prepaid expenses, tuition loan program, deposits, endowment fund, line of credit payable, short-term mortgage payable, accounts payable and accrued expenses and deferred revenue* - The carrying amounts approximate fair value because of the short maturity of these instruments.

*Land, building and equipment* - No attempt has been made to determine the fair value of land, building and equipment.

*Mortgage payable* - The fair value of the mortgage payable is estimated based on current rates offered to the Society for debt of the same remaining maturity. At December 31, 2013, the fair value of the mortgage payable approximates the amount recorded in the financial statements.

*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 2013 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 2010 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 10, 2014, 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, 2013 AND 2012*

**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, 2013 and 2012, grants and accounts receivable were comprised of the following funding sources:

	<u>2013</u>	<u>2012</u>
Albany County Department of Social Services (STEHP)	\$ 83,875	\$ 54,099
Albany Law School	5,808	18,371
Catholic Charities of Schoharie County	-	1,362
Catskill Mountain Housing Development Corp.	-	2,074
City of Saratoga	2,095	2,000
Columbia Opportunities, Inc.	2,845	2,845
Commission on Economic Opportunity	2,566	-
County of Albany	51,302	24,538
County of Fulton	285	1,439
County of Rensselaer	834	3,417
County of St. Lawrence	-	1,035
County of Washington	1,750	1,750
County of Warren	14,120	6,726
Disability Advocacy Program	43,084	-
ETC Housing	-	10,406
GTM Payroll Service	195	-
Joseph's Housing and Shelter	7,151	28,058
Low Income Taxpayer Clinic	32,151	-
Nutrition Consortium	165,616	97,084
NYS Division of Criminal Justice	26,606	40,935
Office of Justice Program	35,046	69,645
Protection and Advocacy for Developmentally Disabled	23,905	21,304
Schenectady Community Action Program	99,407	62,435
St. Regis Mohawk Indian Tribe	1,219	1,107
State of New York	681,622	178,209
United States Department of Housing and Urban Development	42,419	14,175
	<u>1,323,901</u>	<u>643,014</u>
Less: Allowance for Doubtful Accounts	(41,589)	-
	<u>\$ 1,282,312</u>	<u>\$ 643,014</u>

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2013 AND 2012*

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**4. PROMISES TO GIVE**

At December 31, 2013 and 2012, the Society had \$229,313 and \$191,287, 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 \$54,946 and \$34,400 at December 31, 2013 and 2012, 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, 2013 and 2012 consists of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 181,600	\$ 20,000
Building	1,105,702	551,554
Building Improvements	455,895	412,154
Equipment, Furniture and Fixtures	530,208	488,610
Law Library	<u>42,073</u>	<u>42,073</u>
Total at Cost	2,315,478	1,514,391
Less: Accumulated Depreciation	<u>(945,785)</u>	<u>(867,551)</u>
Total Property, Net	<u>\$ 1,369,693</u>	<u>\$ 646,840</u>

The Society had \$801,087 and \$51,960 in additions for the year ended December 31, 2013 and 2012, respectively, of which \$41,600 and \$51,960 in 2013 and 2012, respectively, were purchased with monies provided by LSC. The net book value of the LSC equipment is \$157,584 and \$145,140 at December 31, 2013 and 2012, respectively. Total depreciation expense was \$78,234 and \$84,776 for the years ended December 31, 2013 and 2012, respectively.

**6. ENDOWMENT FUNDS**

In 2007, the Society entered into an endowment agreement with the Community Foundation for the Capital Region (the "Foundation"), a non-affiliated nonprofit organization, with the intent of raising money from legacies. The money in the fund is the property of the Foundation until directed by the Society to expend the monies that is consistent with its charitable status. This money is considered temporarily restricted for financial statement purposes. The 2013 and 2012 detail of activity from this fund is as follows:

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

**LSC RECIPIENT 233010**

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2013 AND 2012*

**6. ENDOWMENT FUNDS (CONTINUED)**

	<u>2013</u>	<u>2012</u>
Endowment Net Assets, Beginning of Year	\$ 155,505	\$ 67,967
Investment Income	2,229	1,897
Unrealized Gain	24,527	10,395
Contributions	17,109	76,647
Fees	<u>(2,490)</u>	<u>(1,401)</u>
Total Change in Endowment Funds	<u>41,375</u>	<u>87,538</u>
Endowment Net Assets, End of Year	<u>\$ 196,880</u>	<u>\$ 155,505</u>

Details as to the specific investments comprising this endowment fund are maintained by the Foundation.

**7. LINE OF CREDIT AND SHORT-TERM MORTGAGE PAYABLE**

The Society has a \$700,000 revolving demand line of credit available with a bank, of which \$500,000 and \$0 was outstanding at December 31, 2013 and 2012, respectively. The line of credit bears interest at 0.45% percent above the bank's prime rate (3.70% at December 31, 2013 and 2012) and is collateralized by the Society's accounts receivable and other assets. There is no set expiration date for this line of credit.

The Society has a \$71,000 short-term mortgage payable with a bank, bearing interest at 3.22%, due in October 2014 and collateralized by real estate in Plattsburgh, NY.

**8. LONG-TERM DEBT**

Long-term debt at December 31, 2013 and 2012 consists of the following:

	<u>2013</u>	<u>2012</u>
Mortgage payable to bank in monthly installments of \$4,948 with interest at 4.85%, due in February 2029, collateralized by real estate in Saratoga Springs, NY.	\$ 629,000	\$ -
Mortgage payable to bank in monthly installments of \$1,369 with interest at 5.0%, due in December 2018, collateralized by real estate in Albany, NY.	<u>71,378</u>	<u>78,972</u>
Total	700,378	78,972
Less: Current Portion	<u>(37,612)</u>	<u>(6,861)</u>
	<u>\$ 662,766</u>	<u>\$ 72,111</u>

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2013 AND 2012*

---

**8. LONG-TERM DEBT (CONTINUED)**

Current maturities of long-term debt are as follows:

2014	\$	37,612
2015		44,519
2016		46,748
2017		49,090
2018		50,369
Thereafter		472,040
	\$	<u>700,378</u>

**9. 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 Society has no permanently restricted net assets at December 2013 and 2012. The following is additional detail as to the components of the Society's classes of net assets at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets:		
Property, Net of Debt	\$ 437,657	\$ 417,810
Fund Raising	454,875	410,012
Other	<u>(195,896)</u>	<u>(154,521)</u>
Total Unrestricted Net Assets	<u>696,636</u>	<u>673,301</u>
Temporarily Restricted Net Assets:		
Fund Raising - Endowment Fund	196,880	155,505
Legal Services Corporation - Cash	121,034	126,690
Legal Services Corporation - Property	157,584	145,140
Department of Criminal Justice Service - Property	3,074	4,918
Interest on Lawyers Account - Cash	<u>746,820</u>	<u>922,288</u>
Total Temporarily Restricted Net Assets	<u>1,225,392</u>	<u>1,354,541</u>
Total Net Assets	<u>\$ 1,922,028</u>	<u>\$ 2,027,842</u>

**10. LEASE COMMITMENTS**

The Society has four noncancellable operating lease agreements, absent significant defunding which would allow early termination, for the rental of office space in Albany, Canton, Saratoga and Amsterdam, New York expiring October 2015, February 2017, February 2014 and June 2014, respectively. Total rent expense was \$95,213 and \$74,044 for the years ended December 31, 2013 and 2012, respectively, and is included in occupancy expense.

The Society has a lease for three photocopiers for an aggregate monthly rent of \$410 expiring May 2015. The Society also has a lease for two photocopiers for an aggregate monthly rent of \$402 expiring February 2017. Total rent expense was \$10,387 and \$6,930 for the years ended December 31, 2013 and 2012, respectively, and is included in equipment rental and maintenance expense.

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2013 AND 2012*

---

**10. LEASE COMMITMENTS (CONTINUED)**

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

2014	\$	62,852
2015		43,669
2016		25,224
2017		<u>3,802</u>
	\$	<u>135,547</u>

**11. 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 \$118,351 and \$105,780 contributed for the years ended December 31, 2013 and 2012, respectively, which represents a graduated contribution up to 5%.

**OTHER FINANCIAL INFORMATION**

**THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.**  
**LSC RECIPIENT 233010**  
**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Legal Services Corporation	Homeless Prevention	Disability and Protection Advocacy	Interest on Lawyers Account	JCLS	LITC	Domestic Violence	Senior Legal Services	HIV/AIDS Programs	Technology Initiative Grant	Other	Property	Management and General	Fund Raising	Total
<b>Support and Revenue</b>															
Contracts and Grants	\$ 1,209,161	\$ 1,056,131	\$ 478,128	\$ 986,181	\$ 1,755,360	\$ 66,496	\$ 202,302	\$ 68,849	\$ 80,262	\$ 23,880	\$ 601,747	\$ -	\$ 2,999	\$ -	\$ 6,531,496
Contributions, Fundraising and Donated Services	-	-	-	-	-	-	-	-	-	-	-	-	-	352,158	352,158
Investment Income	365	-	-	-	-	-	-	-	-	-	-	-	-	2,229	2,594
Miscellaneous	810	-	13,587	-	-	-	-	-	-	-	4	-	8,959	24,525	47,915
<b>Total Support and Revenue</b>	<b>1,210,336</b>	<b>1,056,131</b>	<b>491,715</b>	<b>986,181</b>	<b>1,755,360</b>	<b>66,496</b>	<b>202,302</b>	<b>68,849</b>	<b>80,262</b>	<b>23,880</b>	<b>601,751</b>	<b>-</b>	<b>11,988</b>	<b>378,912</b>	<b>6,934,163</b>
<b>Expenses</b>															
Salaries and Wages															
Lawyers	141,631	694,238	314,971	159,771	1,006,903	70,545	134,638	77,363	68,158	776	148,915	-	18,649	7,786	2,844,342
Paralegals	79,041	90,868	34,537	692	178,861	277	72	15,249	44	114	244,404	-	-	1,140	645,299
Other Staff	106,890	23,805	19,961	563	302,260	13,472	3,744	2,297	672	-	7,201	-	268,233	81,560	830,658
Employee Benefits	96,416	269,275	103,004	60,438	486,103	28,721	39,414	29,425	22,710	184	168,222	-	89,330	27,382	1,420,624
Contract Services - Clients	-	27,500	-	356	-	-	23,751	-	-	-	-	-	-	300	51,907
Contract Services - Program	8,318	28,275	8,944	15,948	42,571	3,303	3,423	2,650	1,972	45,360	15,098	-	7,955	12,231	196,048
Audit and Accounting	920	5,127	1,961	1,606	9,256	547	751	560	432	3	3,204	-	1,701	521	26,589
Legal and Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	4,525	-	4,525
Travel	7,115	19,570	8,717	10,807	18,025	3,091	5,896	3,593	576	3	20,563	-	2,527	2,255	102,738
Training	2,789	5,250	727	15,502	3,945	201	336	161	124	1	1,242	-	489	150	30,917
Occupancy	5,323	29,677	11,352	9,297	53,663	3,165	4,344	3,243	2,503	20	18,540	-	9,845	3,091	154,063
Repairs and Maintenance	885	4,937	1,888	1,546	8,912	527	723	539	416	3	3,084	-	1,638	502	25,600
Office Expense	7,286	27,063	10,105	8,451	47,805	4,384	5,696	3,212	2,228	18	21,080	-	8,913	16,541	162,762
Telephone	2,880	8,456	3,234	2,654	15,632	902	1,238	924	713	6	6,390	-	7,805	2,019	47,853
Library	3,144	17,527	6,705	5,344	31,643	4,592	2,366	2,417	1,478	12	11,313	-	27	8	86,776
Insurance	873	4,869	1,863	1,504	8,790	519	713	532	411	3	3,042	-	764	234	24,117
Professional Dues	7,875	311	107	26,792	575	189	141	25	119	-	503	-	38	167	36,842
Equipment Rental and Maintenance	2,037	11,355	4,344	3,557	20,498	1,211	1,662	1,241	958	8	7,093	-	3,767	1,420	59,151
Depreciation	-	-	-	-	-	-	-	-	-	-	-	78,234	-	-	78,234
Litigation	3,143	7,425	1,353	539	6,258	95	652	177	175	-	1,263	-	172	53	21,305
Interest and Bank Charges	-	-	-	20,461	-	-	-	-	-	-	-	-	-	-	3,021
Bad Debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62,135
Other Expense	23,036	(1,508)	(582)	13,062	(2,734)	(161)	(214)	(167)	(128)	289	36,133	-	398	36,646	103,990
<b>Total Expenses</b>	<b>499,602</b>	<b>1,274,020</b>	<b>533,191</b>	<b>358,890</b>	<b>2,238,964</b>	<b>135,580</b>	<b>229,546</b>	<b>143,441</b>	<b>103,561</b>	<b>46,720</b>	<b>717,290</b>	<b>78,234</b>	<b>421,776</b>	<b>259,162</b>	<b>7,039,977</b>
<b>Increase (Decrease) of Support and Revenue Over Expenses before Administrative and Overhead Allocations</b>	<b>710,734</b>	<b>(217,889)</b>	<b>(41,476)</b>	<b>627,291</b>	<b>(483,604)</b>	<b>(69,084)</b>	<b>(27,244)</b>	<b>(74,592)</b>	<b>(23,299)</b>	<b>(22,840)</b>	<b>(115,539)</b>	<b>(78,234)</b>	<b>(409,788)</b>	<b>119,750</b>	<b>(105,814)</b>
<b>Allocation of Administrative Costs</b>	<b>(28,266)</b>	<b>(69,801)</b>	<b>(31,882)</b>	<b>(75,638)</b>	<b>(128,402)</b>	<b>(7,274)</b>	<b>(11,947)</b>	<b>(8,190)</b>	<b>(5,943)</b>	<b>(77)</b>	<b>(34,562)</b>	<b>-</b>	<b>409,788</b>	<b>(7,806)</b>	<b>-</b>
<b>Reallocation of Reimbursed Costs for Matching Purposes</b>	<b>(646,524)</b>	<b>287,690</b>	<b>73,358</b>	<b>(727,121)</b>	<b>612,006</b>	<b>76,358</b>	<b>39,191</b>	<b>82,782</b>	<b>29,242</b>	<b>22,917</b>	<b>150,101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Changes in Net Assets - Acquisition of Property</b>	<b>(41,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>801,087</b>	<b>-</b>	<b>(759,487)</b>	<b>-</b>
<b>Other Changes in Net Assets - Debt Payments and Proceeds, Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(692,466)</b>	<b>-</b>	<b>692,466</b>	<b>-</b>
<b>Net Assets, Beginning of Year</b>	<b>126,690</b>	<b>-</b>	<b>-</b>	<b>922,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>568,852</b>	<b>-</b>	<b>410,012</b>	<b>2,027,842</b>
<b>Net Assets, End of Year</b>	<b>\$ 121,034</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 746,820</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 599,299</b>	<b>\$ -</b>	<b>\$ 454,875</b>	<b>\$ 1,922,028</b>

See independent auditor's report.

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2015 Program Year Funding --***

**Attachment D  
2013 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, 2013*

*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, 2013*

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by <i>OMB Circular A-133</i>	3-4
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Schedule of Findings and Questioned Costs	7

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MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Legal Aid Society of Northeastern New York, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 10, 2014.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered The Legal Aid Society of Northeastern New York, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Legal Aid Society of Northeastern New York, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York  
April 10, 2014

**CUSACK & COMPANY**  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited The Legal Aid Society of Northeastern New York, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of The Legal Aid Society of Northeastern New York, Inc.'s major federal programs for the year ended December 31, 2013. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of The Legal Aid Society of Northeastern New York, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of The Legal Aid Society of Northeastern New York, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, The Legal Aid Society of Northeastern New York, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

### *Report on Internal Control Over Compliance*

Management of The Legal Aid Society of Northeastern New York, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Legal Aid Society of Northeastern New York, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

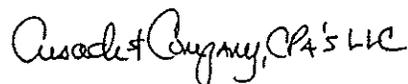
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance, such that there is a possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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, 2013, and have issued our report thereon dated April 10, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York  
April 10, 2014

**THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.**  
**LSC RECIPIENT 233010**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

<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>
<b><u>Legal Services Corporation:</u></b>			
Legal Services Corporation - Albany	09.233010	-	\$ 1,209,161
Legal Services Corporation - Technology Initiative Grant	09.233010	-	23,880
Total Legal Services Corporation			<u>1,233,041</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
Housing and Urban Development - Community Development Block Grant	14.218	-	8,189
Housing and Urban Development - Emergency Solutions Grant Programs	14.231	-	79,837
Housing and Urban Development - Legal Aid Society Homelessness Unit (Pass-Through)	14.235	14-1636163	31,459
Housing and Urban Development - Legal Aid Society Homelessness Unit	14.235	-	114,402
Housing and Urban Development - Homelessness Prevention and Rapid Rehousing Program - STEHP (Pass-Through)	14.262	14-1636163	414,654
Total U.S. Department of Housing and Urban Development			<u>648,541</u>
<b><u>U.S. Department of Justice:</u></b>			
Office of Justice Programs - Domestic Violence Legal Assistance Program	16.524	-	99,064
Violence Against Women STOP Grant (Pass-Through)	16.588	14-6013200	67,540
Total U.S. Department of Justice			<u>166,604</u>
<b><u>U.S. Department of Health and Human Services:</u></b>			
Nutrition Consortium (Pass-Through)	93.053	22-2954760	434,619
Special Programs for the Aging (Pass-Through)	93.044	14-6013200	68,848
Protection and Advocacy for Developmentally Disabled (Pass-Through)	93.630	14-6013200	97,353
Protection and Advocacy for Mentally Ill (Pass-Through)	93.630	14-6013200	71,457
Total U.S. Department of Health and Human Services			<u>672,277</u>
<b><u>U.S. Department of the Treasury:</u></b>			
Low Income Taxpayer Clinics	21.008	-	66,496
Total U.S. Department of the Treasury			<u>66,496</u>
Total Expenditures of Federal Awards			<u>\$ 2,786,959</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, 2013

**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, 2013. 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, 2013.

*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, 2013 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	\$ 3,042
Catholic Charities of Saratoga, Warren and Washington Counties	16.524	2,336
Catholic Charities of Fulton and Montgomery Counties	16.524	4,000
Behavioral Health Services North	16.524	3,125
St. Lawrence Valley Renewal House	16.524	2,517
Community Action of Greene County	16.524	2,425
Mechanicville Area Community Service Center	16.524	2,557
Domestic Violence and Rape Crisis Services of Saratoga County	16.524	1,250
Family Counseling Center of Fulton County	16.524	2,500
Legal Services Corporation - Technology Initiative Grant Subrecipients:		
Legal Assistance of Western NY	09.233010	10,000
		<u>\$ 33,752</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, 2013

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**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**

<b><u>CFDA NUMBER(S)</u></b>	<b><u>NAME OF FEDERAL PROGRAM OR CLUSTER</u></b>
09.233010	Legal Services Corporation - Albany
09.233010	Legal Services Corporation - Technology Initiative Grant
93.053	Nutrition Consortium
93.044	Special Programs for the Aging

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.