



## 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 housing needs in the City's 2015 Consolidated Plan. CDBG funding will be used to fund 20.1% of a staff attorney to prevent unwarranted and illegal evictions.

The City's 2015 Consolidated Plan highlights the "continuum" of housing needs for persons of low and moderate income. First among them is the need for homelessness prevention activities. Services to benefit the most vulnerable in the City, at risk youth, seniors and people with special needs – such as those Legal Aid assists – are also a high priority public service need. Thus LASNNY's HPP meets 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" and her developmentally disabled child lived in public housing and were faced with termination of their tenancy after her son exhibited some behaviors relating to starting fires. A

settlement was negotiated whereby Lillian agreed to ensure that her son was substantially compliant with the treatment recommendations of his mental health care providers. This tenancy has continued without further issue.

"Katie", a tenant of a mobile home, was faced with termination of a month to month tenancy, but the underlying reason was nonpayment of rent. We were able to negotiate a settlement which provided Katie more time to obtain the financial resources necessary to pay back arrears and maintain his stable housing.

In the 2015-2016 grant period, the HPP served 49 new households and prevented involuntary homelessness for 25 of them, benefitting 46 extremely low, low or moderate income persons.

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, 2015 to December 31, 2015, we handled 19 requests for assistance, preventing homelessness for 11 households, benefitting 15 people. Project intake continues to be on track with two new intakes as of January 27, 2016.

#### 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 2015 financial guidelines, a household of four cannot have a monthly gross income greater than \$2,526 (annualized at \$30,313). 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, 2016                       |
| 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, 2017                |
- 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
July 1, 2015 - June 30, 2016	Homelessness Prevention Project	7,500

B. LASNNY's Experience -- In 2014, LASNNY closed 9,650 cases in various substantive areas, including homelessness prevention, housing, public assistance, disability and family law. While our 2015 statistics are not yet complete, we expect to exceed that number. Our work, including legal representation, community legal education (in person, in print and on the internet), information and referrals directly benefitted 92,310 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 19 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, 2015, have served 19 of our projected 30 households.

C. HPP staff include:

- Stuart Kaufman - \$13,504, 20.1% FTE Staff Attorney (or about seven hours per week)
- Mary Withington - .3% FTE Supervising Attorney (or about one hour per week)
- Julie Casner - .3% FTE Legal Secretary (or about 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	2,437	14,745	<i>Judiciary Civil Legal Services</i>
Fringe	3,692	731	4,423	<i>Judiciary Civil Legal Services</i>
Other (consultants, etc.)				
<i>Subtotal</i>	16,000	3,168	19,168	

<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	2,114		<i>Judiciary Civil Legal Services</i>
<i>Audit</i>	0	51		<i>Judiciary Civil Legal Services</i>
<i>Subtotal</i>	0	2,165		

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

Position	Salary	%Time on Grant	Project Cost	CDBG Funds	Match	% CDBG
Staff Attorney	67,102	20.1%	13,504	12,308	1,196	91%
Supv. Attorney	108,211	.3%	325		325	0%
Executive Director	171,613	.3%	515		515	0%
Fiscal Director	88,088	.3%	264		264	0%
Legal Secretary	45,820	.3%	137		137	0%
TOTAL SALARIES			14,745	12,308	2,437	91%
Fringe @ 30%			4,423	3,692	731	83%
PERSONNEL SUBTOTAL			19,168	16,000	3,168	
Program Costs*			2,114	0	2,114	0%
Audit			51	0	51	0%
NON-PERSONNEL SUBTOTAL			2,165	0	2,165	0%
TOTAL PROJECT COST			\$21,333	16,000	5,333	75%

**\*Program Costs:**

Space	624
Insurance	48
Library	140
Supplies	242
Travel	187
Training	345
Equip. Rental	79
Dues & Fees	141
Contract Svcs.	307

(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: 7/15 - 6/16 CDBG Funding Amount: \$7,500

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>\$1,272,200</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>\$ 400,000</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\* X 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 X

\*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 22, 2016  
Date

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2016 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

Charles Robinson

TREASURER

Thomas O'Connor, Esq.

SECRETARY

JonDavid DeLong, Esq.

MEMBERS

Mathew Barry, Esq.

John Caffry, Esq.

Jasmine Ceniceros

Jondavid DeLong, Esq.

Heidi Dennis, Esq.

Benjamin Fishman

Edward Kaplan, Esq.

Victor Mazzotti, Esq.

William S. Nolan, Esq.

Patricia Okoumou

Nicholas Pignone, Esq.

Patricia L.R. Rodriguez, Esq.

Bethany Schumann-McGhee, Esq.

Jenifer Wharton, Esq.

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2016 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

July 20, 2015

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 #004, your organization has been awarded a \$789,732 grant for the 2015-16 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 <http://www.nycourts.gov/admin/bids/PDFs/2015-16%20Award%20List.pdf>.

County	Funding Amount
Albany	\$123,566
Clinton	\$52,331
Columbia	\$27,459
Essex	\$25,248
Franklin	\$34,848
Fulton	\$38,512
Greene	\$27,122
Hamilton	\$2,894
Montgomery	\$32,784
Rensselaer	\$83,933
Saratoga	\$80,810
Schenectady	\$83,738
Schoharie	\$16,316
St. Lawrence	\$84,151
Warren	\$35,316
Washington	\$40,704

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: [mocolema@nycourts.gov](mailto:mocolema@nycourts.gov).

Sincerely,

Ronald P. Younkings

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2016 Program Year Funding --***

**Attachment C  
2014 Financial Audit**

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

*FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
DECEMBER 31, 2014 AND 2013*

*THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.*  
*LSC RECIPIENT 233010*  
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*DECEMBER 31, 2014 AND 2013*

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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, 2014 and 2013, 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 generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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, 2014 and 2013, 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**

#### *Other Information*

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 21, 2015 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 2014 and 2013 audits of The Legal Aid Society of Northeastern New York, Inc., LSC Recipient 233010, is James M. Cusack, CPA. The employer ID# for Cusack & Company, CPA's LLC is 14-1800427.



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

Latham, New York  
April 21, 2015

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

*LSC RECIPIENT 233010*

*STATEMENTS OF FINANCIAL POSITION*

*DECEMBER 31, 2014 AND 2013*

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Cash Equivalents	\$ 926,065	\$ 780,105
Client Escrow Funds	35,273	34,674
Grants and Accounts Receivable, Net of Allowance	1,338,666	1,282,312
Promises to Give, Net of Allowance	147,699	174,367
Prepaid and Other Current Assets	<u>65,018</u>	<u>64,964</u>
Total Current Assets	<u>2,512,721</u>	<u>2,336,422</u>
Property		
Land, Building and Equipment, at Cost	2,371,406	2,315,478
Less: Accumulated Depreciation	<u>(1,057,438)</u>	<u>(945,785)</u>
Total Property, Net	<u>1,313,968</u>	<u>1,369,693</u>
Other Assets		
Endowment Funds	219,816	196,880
Tuition Loan Program	61,676	53,003
Security Deposits	<u>1,640</u>	<u>5,495</u>
Total Other Assets	<u>283,132</u>	<u>255,378</u>
Total Assets	<u>\$ 4,109,821</u>	<u>\$ 3,961,493</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities		
Line of Credit Payable	\$ 620,000	\$ 500,000
Short-term Mortgage Payable	-	71,000
Current Portion of Long-term Debt	36,610	37,612
Accounts Payable	166,370	283,619
Accrued Expenses	462,506	329,317
Client Trust Deposits	35,273	34,674
Deferred Revenue	<u>108,610</u>	<u>120,477</u>
Total Current Liabilities	1,429,369	1,376,699
Noncurrent Liabilities		
Long-term Debt, Net of Current Portion	<u>484,347</u>	<u>662,766</u>
Total Liabilities	<u>1,913,716</u>	<u>2,039,465</u>
Net Assets		
Unrestricted	1,681,682	696,636
Temporarily Restricted	<u>514,423</u>	<u>1,225,392</u>
Total Net Assets	<u>2,196,105</u>	<u>1,922,028</u>
Total Liabilities and Net Assets	<u>\$ 4,109,821</u>	<u>\$ 3,961,493</u>

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

**LSC RECIPIENT 233010**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,209,937	\$ 1,209,937
Pro Bono Innovation Fund (LSC Pass Through)	-	8,596	8,596
Disability Advocacy Program	-	389,461	389,461
Interest on Lawyers Account	-	980,000	980,000
Community Development Block Grants	-	8,413	8,413
Contributions, Fund Raising & Donated Services	361,982	21,000	382,982
Interest Income	226	1,852	2,078
Unrealized Gain on Endowment Fund	-	3,446	3,446
DCJS Legislative Item	-	21,246	21,246
Senior Legal Services/Office for the Aging	-	73,326	73,326
STOP Grants	-	66,700	66,700
Legal Aid Society Homelessness Unit	-	86,701	86,701
Miscellaneous	151,825	2,820	154,645
Other Local Grants	-	159,528	159,528
Division of Criminal Justice Services (DCJS)	-	44,902	44,902
Protection and Advocacy Programs	-	94,967	94,967
Nutrition Consortium	-	354,920	354,920
Domestic Violence Legal Assistance Program	-	170,153	170,153
NYS Solutions to End Homelessness	-	596,520	596,520
AG Homeowner Protection Program (HOPP)	-	252,039	252,039
Homeless Prevention and Rapid Re-housing (HPRP)	-	3,434	3,434
NYS Judiciary CLS	-	2,668,406	2,668,406
Low Income Taxpayer Clinic Program	-	87,910	87,910
Emergency Shelter Grants	-	24,737	24,737
Net Assets Released from Restrictions	<u>8,041,983</u>	<u>(8,041,983)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>8,556,016</u>	<u>(710,969)</u>	<u>7,845,047</u>
Expenses			
Legal Services	6,923,547	-	6,923,547
Management and General	454,920	-	454,920
Fund Raising	<u>192,503</u>	<u>-</u>	<u>192,503</u>
Total Expenses	<u>7,570,970</u>	<u>-</u>	<u>7,570,970</u>
Increase (Decrease) in Net Assets	985,046	(710,969)	274,077
Net Assets at Beginning of Year	<u>696,636</u>	<u>1,225,392</u>	<u>1,922,028</u>
Net Assets at End of Year	<u>\$ 1,681,682</u>	<u>\$ 514,423</u>	<u>\$ 2,196,105</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*  
*STATEMENTS OF CASH FLOWS*  
*FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013*

	<u>2014</u>	<u>2013</u>
Increase (Decrease) in Net Assets	\$ 274,077	\$ (105,814)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	111,653	78,234
Bad Debt Expense	26,557	62,135
Unrealized Gain on Endowment Funds	(3,446)	(24,527)
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Promises to Give	26,668	(38,026)
Grants and Accounts Receivable	(82,911)	(680,887)
Prepaid and Other Current Assets	(54)	(18,235)
Endowment Fund	(19,490)	(16,848)
Tuition Loan Program	(8,673)	(15,843)
Security Deposits	3,855	-
Increase (Decrease) in Liabilities		
Accounts Payable	(117,249)	87,272
Accrued Expenses	133,189	34,915
Deferred Revenues	<u>(11,867)</u>	<u>(472,455)</u>
Net Cash Provided By (Used In) Operating Activities	<u>332,309</u>	<u>(1,110,079)</u>
Cash Flow Used In Investing Activities:		
Purchase of Land, Building and Equipment	<u>(55,928)</u>	<u>(801,087)</u>
Net Cash Used In Investing Activities	<u>(55,928)</u>	<u>(801,087)</u>
Cash Flow Provided By (Used In) Financing Activities:		
Net Proceeds (Payments) on Mortgages Payable	(179,421)	621,406
Net Proceeds (Payments) from Line of Credit	120,000	500,000
Net Proceeds (Repayments) on Short-term Mortgage Payable	<u>(71,000)</u>	<u>71,000</u>
Net Cash Provided By (Used In) Financing Activities	<u>(130,421)</u>	<u>1,192,406</u>
Increase (Decrease) in Cash	145,960	(718,760)
Cash, Beginning of Year	<u>780,105</u>	<u>1,498,865</u>
Cash, End of Year	<u>\$ 926,065</u>	<u>\$ 780,105</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	<u>\$ 55,187</u>	<u>\$ 40,460</u>
Other Non-Cash Activities		
In-Kind Donation of Legal Services	<u>\$ 4,405</u>	<u>\$ 4,525</u>

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

STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Legal Services			Management and General		Supporting Services		Total Expenses
	Private Attorney Involvement	Pro Bono Innovation	General Client	Total	Fund Raising	Total		
Expenses								
Salaries and Wages								
Lawyers	\$ 66,843	\$ 7,903	\$ 3,056,749	\$ 3,131,495	\$ 43,881	\$ 8,325	\$ 52,206	\$ 3,183,701
Non-Lawyers	76,630	119	1,064,927	1,141,676	273,581	88,503	362,084	1,503,760
Employee Benefits	47,464	2,907	1,382,391	1,432,762	91,081	26,875	117,956	1,550,718
Contract Services	8,998	197	223,591	232,786	9,089	14,451	23,540	256,326
Audit and Accounting	549	34	15,976	16,559	1,074	317	1,391	17,950
Legal and Professional Fees	135	-	(135)	-	4,405	-	4,405	4,405
Travel and Training	5,415	36	181,216	186,667	5,978	2,826	8,804	195,471
Occupancy	4,074	254	118,467	122,795	7,968	2,355	10,323	133,118
Repairs and Maintenance	784	49	22,809	23,642	1,534	452	1,986	25,628
Office Expense	1,582	239	124,886	126,707	7,493	12,444	19,937	146,644
Telephone	2,449	91	44,715	47,255	2,931	1,863	4,794	52,049
Library	2,605	165	82,239	85,009	56	51	107	85,116
Insurance	945	61	28,440	29,446	1,106	332	1,438	30,884
Professional Dues	-	-	54,095	54,095	-	2,033	2,033	56,128
Equipment Rental and Maintenance	-	119	57,369	57,488	3,725	1,160	4,885	62,373
Depreciation	-	-	111,653	111,653	-	-	-	111,653
Litigation	1,365	6	8,702	10,073	182	55	237	10,310
Interest and Bank Charges	-	-	54,321	54,321	-	4,228	4,228	58,549
Bad Debts	-	-	26,557	26,557	-	-	-	26,557
Other Expense	1,849	9	30,703	32,561	836	26,233	27,069	59,630
<b>Total Expenses</b>	<b>\$ 221,687</b>	<b>\$ 12,189</b>	<b>\$ 6,689,671</b>	<b>\$ 6,923,547</b>	<b>\$ 454,920</b>	<b>\$ 192,503</b>	<b>\$ 647,423</b>	<b>\$ 7,570,970</b>

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

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS*

*DECEMBER 31, 2014 AND 2013*

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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 15.6% and 17.8% of the Society's support for the years ended December 31, 2014 and 2013, respectively, was provided by LSC.

*Basis of Accounting and Reporting*

The financial statements of the Society have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

*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, 2014 AND 2013*

---

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Reclassifications*

Certain 2013 financial statement amounts have been reclassified to conform to 2014 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 pay 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 funds, 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, 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.

*Mortgages payable* - The fair value of the mortgages payable is estimated based on current rates offered to the Society for debt of the same remaining maturity. At December 31, 2014, the fair value of the mortgages 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 2014 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 2011 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 21, 2015, 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, 2014 AND 2013*

**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, 2014 and 2013, grants and accounts receivable were comprised of the following funding sources:

	<u>2014</u>	<u>2013</u>
Albany County Department of Social Services (STEHP)	\$ 55,135	\$ 83,875
Albany Law School	17,482	5,808
CARES, Inc.	13,152	-
City of Saratoga	2,112	2,095
Columbia Opportunities, Inc.	-	2,845
Commission on Economic Opportunity	-	2,566
County of Albany	1,582	51,302
County of Clinton	91,830	-
County of Fulton	1,850	285
County of Rensselaer	1,667	834
County of Warren	14,120	14,120
County of Washington	1,750	1,750
Disability Advocacy Program	-	43,084
GTM Payroll Service	-	195
Joseph's Housing and Shelter	20,155	7,151
Low Income Taxpayer Clinic	43,962	32,151
Miscellaneous Receivables	20,965	-
Nutrition Consortium	64,420	165,616
NYS Division of Criminal Justice	27,686	26,606
Office of Justice Program	36,728	35,046
Pro Bono Innovation Fund	8,596	-
Protection and Advocacy for Developmentally Disabled	-	23,905
Schenectady Community Action Program	108,155	99,407
St. Regis Mohawk Indian Tribe	1,436	1,219
State of New York	817,561	681,622
United States Department of Housing and Urban Development	4,244	42,419
	<u>1,354,588</u>	<u>1,323,901</u>
Less: Allowance for Doubtful Accounts	<u>(15,922)</u>	<u>(41,589)</u>
	<u>\$ 1,338,666</u>	<u>\$ 1,282,312</u>

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2014 AND 2013*

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**4. PROMISES TO GIVE**

At December 31, 2014 and 2013, the Society had \$213,560 and \$229,313, 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 \$65,861 and \$54,946 at December 31, 2014 and 2013, respectively, has been provided based on historical experience and management's analysis of specific promises made and must be subtracted from the above to arrive at the net receivable amounts.

**5. PROPERTY**

Land, building and equipment at December 31, 2014 and 2013 consists of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 181,600	\$ 181,600
Building	1,105,702	1,105,702
Building Improvements	455,895	455,895
Equipment, Furniture and Fixtures	586,136	530,208
Law Library	<u>42,073</u>	<u>42,073</u>
Total at Cost	2,371,406	2,315,478
Less: Accumulated Depreciation	<u>(1,057,438)</u>	<u>(945,785)</u>
Total Land, Building and Equipment, Net	<u>\$ 1,313,968</u>	<u>\$ 1,369,693</u>

The Society had \$55,928 and \$801,087 in additions for the years ended December 31, 2014 and 2013, respectively, of which \$35,629 and \$41,600 in 2014 and 2013, respectively, were purchased with monies provided by LSC. The net book value of the LSC equipment is \$153,398 and \$157,584 at December 31, 2014 and 2013, respectively. Total depreciation expense was \$111,653 and \$78,234 for the years ended December 31, 2014 and 2013, 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 2014 and 2013 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, 2014 AND 2013*

**6. ENDOWMENT FUNDS (CONTINUED)**

	<u>2014</u>	<u>2013</u>
Endowment Net Assets, Beginning of Year	\$ 196,880	\$ 155,505
Investment Income	1,852	2,229
Unrealized Gain	3,446	24,527
Contributions	21,000	17,109
Fees	<u>(3,362)</u>	<u>(2,490)</u>
Total Change in Endowment Funds	<u>22,936</u>	<u>41,375</u>
Endowment Net Assets, End of Year	<u>\$ 219,816</u>	<u>\$ 196,880</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 \$620,000 and \$500,000 was outstanding at December 31, 2014 and 2013, respectively. The line of credit bears interest at 0.45% percent above the bank's prime rate (3.70% at December 31, 2014 and 2013) and is collateralized by the Society's accounts receivable and other assets. There is no set expiration date for this line of credit.

At December 31, 2013 the Society had a \$71,000 short-term mortgage payable with a bank, bearing interest at 3.22%, collateralized by real estate in Plattsburgh, NY. The mortgage was paid in full in October 2014.

**8. LONG-TERM DEBT**

Long-term debt at December 31, 2014 and 2013 consists of the following:

	<u>2014</u>	<u>2013</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.	\$ 461,347	\$ 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>59,610</u>	<u>71,378</u>
Total	520,957	700,378
Less: Current Portion	<u>(36,610)</u>	<u>(37,612)</u>
	<u>\$ 484,347</u>	<u>\$ 662,766</u>

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

*LSC RECIPIENT 233010*

*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*

*DECEMBER 31, 2014 AND 2013*

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

Current maturities of long-term debt are as follows:

2015	\$	36,610
2016		38,396
2017		40,417
2018		42,473
2019		29,474
Thereafter		<u>333,587</u>
	\$	<u>520,957</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 2014 and 2013. The following is additional detail as to the components of the Society's classes of net assets at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Unrestricted Net Assets:		
Property, Net of Debt	\$ 619,396	\$ 437,657
Fund Raising	1,282,102	454,875
Other Deficit	<u>(219,816)</u>	<u>(195,896)</u>
Total Unrestricted Net Assets	<u>1,681,682</u>	<u>696,636</u>
Temporarily Restricted Net Assets:		
Fund Raising - Endowment Fund	219,816	196,880
Legal Services Corporation - Cash	120,994	121,034
Legal Services Corporation - Property	153,398	157,584
Department of Criminal Justice Service - Property	1,229	3,074
Judiciary Civil Legal Services - Property	18,986	-
Interest on Lawyers Account - Cash	<u>-</u>	<u>746,820</u>
Total Temporarily Restricted Net Assets	<u>514,423</u>	<u>1,225,392</u>
Total Net Assets	<u>\$ 2,196,105</u>	<u>\$ 1,922,028</u>

**10. LEASE COMMITMENTS**

The Society has three noncancelable operating lease agreements, absent significant defunding which would allow early termination, for the rental of office space in Albany, Canton and Amsterdam, New York expiring October 2015, February 2017 and June 2015, respectively. Total rent expense was \$57,426 and \$95,213 for the years ended December 31, 2014 and 2013, respectively, and is included in occupancy expense.

The Society has a lease for two 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 \$10,678 and \$10,387 for the years ended December 31, 2014 and 2013, 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, 2014 AND 2013*

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**10. LEASE COMMITMENTS (CONTINUED)**

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

2015	\$	49,549
2016		25,224
2017		<u>3,802</u>
	\$	<u>78,575</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 \$119,258 and \$118,351 contributed for the years ended December 31, 2014 and 2013, 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, 2014**

	Legal Services Corporation	Homeless Prevention	Disability and Protection Advocacy	Interest on Lawyers Account	JCLS	LITC	Domestic Violence	Senior Legal Services	HIV/AIDS Programs	Pro Bono Innovation	Other	Property	Management and General	Fund Raising	Total
Support and Revenue	\$ 1,209,937	\$ 1,001,616	\$ 484,428	\$ 980,000	\$ 2,668,406	\$ 87,910	\$ 257,238	\$ 73,326	\$ 101,085	\$ 8,596	\$ 537,988	\$ -	\$ 10,557	\$ -	\$ 7,421,087
Contracts and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions, Fundraising and Donated Services	225	-	-	-	-	-	-	-	-	-	-	-	-	360,066	360,066
Investment Income	1,020	695	12,729	-	-	-	-	-	-	-	-	-	29,175	1,852	2,077
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	18,198	61,817
Total Support and Revenue	1,211,182	1,002,311	497,157	980,000	2,668,406	87,910	257,238	73,326	101,085	8,596	537,988	-	39,732	380,116	7,845,047
Expenses															
Salaries and Wages	255,014	658,751	325,280	287,739	1,070,482	84,356	184,981	65,141	65,392	7,903	126,456	-	43,881	8,325	3,183,701
Lawyers	4,621	81,769	45,687	251	202,529	58	64	12,754	45	-	243,722	-	-	207	591,707
Paralegals	47,884	34,524	9,729	3,031	424,702	20,975	3,241	221	15	119	5,735	-	273,581	88,296	912,053
Other Staff	69,227	264,306	110,626	88,158	592,252	39,643	52,512	25,898	24,001	2,907	163,232	-	91,081	26,875	1,530,718
Employee Benefits	-	106,022	-	-	-	-	21,755	-	-	-	-	-	-	-	127,775
Contract Services - Clients	5,918	22,401	7,503	4,190	40,169	3,346	5,562	1,768	1,628	197	12,329	-	9,089	14,451	128,551
Contract Services - Program	817	3,118	1,305	696	6,987	468	619	306	283	34	1,926	-	1,074	317	17,950
Audit and Accounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,405
Legal and Professional Fees	7,863	24,896	8,376	16,910	25,546	1,929	8,383	3,729	743	28	18,661	-	3,928	2,442	123,434
Travel	968	770	310	21,883	43,097	326	415	297	62	8	1,467	-	2,050	384	72,037
Training	6,056	23,123	9,678	5,163	51,813	3,468	4,594	2,266	2,100	254	14,280	-	7,968	2,355	133,118
Occupancy	1,166	4,452	1,863	994	9,975	688	884	436	404	49	2,751	-	1,534	452	25,628
Repairs and Maintenance	7,269	22,075	9,090	4,878	54,476	4,771	4,319	2,128	1,977	239	15,485	-	7,493	12,444	146,644
Office Expense	3,057	8,301	3,474	1,853	18,600	1,245	1,649	813	754	91	7,418	-	2,931	1,863	52,049
Telephone	3,919	14,963	6,263	3,615	33,529	5,903	3,243	2,096	1,714	165	9,599	-	56	51	85,116
Library	1,453	5,549	2,323	1,215	12,435	832	1,103	544	504	61	3,427	-	1,106	332	30,884
Insurance	9,000	-	-	44,970	125	-	-	-	-	-	-	-	-	2,033	56,128
Professional Dues	2,832	10,811	4,525	2,414	24,225	1,622	2,148	1,059	982	119	6,751	-	3,725	1,160	62,373
Equipment Rental and Maintenance	-	1,149	1,045	-	3,236	-	1,013	-	417	-	1,260	111,653	-	-	111,653
Depreciation	-	-	-	277	-	-	-	52	-	6	-	-	182	55	10,310
Litigation	-	-	-	54,321	-	-	-	-	-	-	-	-	-	4,228	58,549
Interest and Bank Charges	-	26,552	-	-	-	-	-	-	-	-	3	-	-	-	26,557
Bad Debts	2,061	819	343	19,438	1,834	124	539	80	73	9	7,241	-	836	26,233	59,630
Other Expense	430,628	1,314,351	547,420	561,996	2,616,014	169,849	297,022	119,588	101,094	12,189	641,743	111,653	454,920	192,503	7,570,970
Total Expenses	780,554	(312,040)	(50,263)	418,004	52,392	(81,939)	(39,784)	(46,262)	(9)	(3,593)	(103,755)	(111,653)	(415,188)	187,613	274,077
Increase (Decrease) of Support and Revenue Over Expenses before Administrative and Overhead Allocations	(24,305)	(61,256)	(30,088)	(92,803)	(134,180)	(8,330)	(14,880)	(6,174)	(5,173)	(633)	(29,712)	(987)	415,188	(6,667)	-
Costs	(720,660)	373,296	80,351	(1,049,316)	99,232	90,269	54,664	52,436	5,182	4,226	133,467	-	-	876,853	-
Recalculation of Reimbursed Costs for Matching Purposes	-	-	-	(22,705)	(17,444)	-	-	-	-	-	-	306,350	-	-	(230,572)
Other Changes in Net Assets - Acquisition of Property	121,034	-	-	746,820	-	-	-	-	-	-	-	599,299	-	-	1,922,028
Debt Payments and Proceeds, Net	(55,629)	-	-	-	-	-	-	-	-	-	-	-	-	-	454,875
Net Assets, Beginning of Year	120,984	-	-	-	-	-	-	-	-	-	-	-	-	-	1,922,028
Net Assets, End of Year	120,984	-	-	-	-	-	-	-	-	-	-	-	-	-	2,196,105

**APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ENTITLEMENT PROGRAM  
*-- 2016 Program Year Funding --***

**Attachment D  
2014 A-133 Audit**

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

*OFFICE OF MANAGEMENT AND BUDGET  
CIRCULAR A-133 REPORTS  
DECEMBER 31, 2014*

*THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.*  
*LSC RECIPIENT 233010*  
*OFFICE OF MANAGEMENT AND BUDGET*  
*CIRCULAR A-133 REPORTS*  
*DECEMBER 31, 2014*

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Notes to Schedule of Expenditures of Federal Awards	6
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AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

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, 2014, 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 21, 2015.

**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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

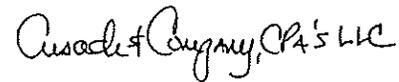
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 21, 2015

CUSACK & COMPANY  
Certified Public Accountants LLC  
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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, 2014. 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, 2014.

## 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 federal 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.

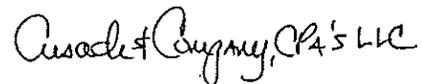
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable 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 a combination of deficiencies in internal control over compliance, 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 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, 2014, and have issued our report thereon dated April 21, 2015, 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, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 21, 2015

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

**LSC RECIPIENT 233010**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

<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 - Basic Field Grant	09.233010	-	\$ 1,209,937
Legal Services Corporation - Pro Bono Innovation Fund (Pass Through)	09.233010	-	8,596
Total Legal Services Corporation			<u>1,218,533</u>
<u>U.S. Department of Agriculture:</u>			
Nutrition Consortium - Supplemental Nutrition Assistance Program (Pass Through)	10.561	22-2954760	351,325
Total U.S. Department of Agriculture			<u>351,325</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Housing and Urban Development - Emergency Solutions Grant Programs- STEHP (Pass-Through)	14.231	14-1636163	596,520
Housing and Urban Development - Community Development Block Grant	14.218	-	8,413
Housing and Urban Development - Emergency Solutions Grant Programs (Pass-Through)	14.231	14-1630163	6,333
Housing and Urban Development - Emergency Solutions Grant Programs (Pass-Through)	14.231	14-1636163	18,404
Housing and Urban Development - Emergency Solutions Grant Programs	14.231	-	3,434
Housing and Urban Development - Legal Aid Society Homelessness Unit (Pass-Through)	14.235	14-1636163	26,812
Housing and Urban Development - Legal Aid Society Homelessness Unit	14.235	-	59,889
Total U.S. Department of Housing and Urban Development			<u>719,805</u>
<u>U.S. Department of Justice:</u>			
Office of Justice Programs - Legal Assistance to Victims	16.524	-	170,153
Violence Against Women STOP Grant (Pass-Through)	16.588	14-6013200	66,700
Total U.S. Department of Justice			<u>236,853</u>
<u>U.S. Department of Health and Human Services:</u>			
Special Programs for the Aging (Pass-Through)	93.044	14-6013200	73,326
Protection and Advocacy for Developmentally Disabled (Pass-Through)	93.630	14-6013200	83,720
Protection and Advocacy for Mentally Ill (Pass-Through)	93.630	14-6013200	11,248
Total U.S. Department of Health and Human Services			<u>168,294</u>
<u>U.S. Department of the Treasury:</u>			
Low Income Taxpayer Clinics	21.008	-	87,910
Total U.S. Department of the Treasury			<u>87,910</u>
Total Expenditures of Federal Awards			<u>\$ 2,782,720</u>

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

**LSC RECIPIENT 233010**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**DECEMBER 31, 2014**

**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, 2014. 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, 2014.

*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, 2014 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 -Legal Assistance to Victims		
Legal Assistance to Victims Subrecipients:		
Catholic Charities of Schoharie County	16.524	\$ 3,041
Catholic Charities of Saratoga, Warren and Washington Counties	16.524	2,378
Catholic Charities of Fulton and Montgomery Counties	16.524	2,500
Behavioral Health Services North	16.524	2,500
St. Lawrence Valley Renewal House	16.524	2,554
Community Action of Greene County	16.524	2,425
Mechanicville Area Community Service Center	16.524	1,983
Domestic Violence and Rape Crisis Services of Saratoga County	16.524	2,500
Family Counseling Center of Fulton County	16.524	2,500
		<u>\$ 22,381</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, 2014

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

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: Unmodified

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 - Albany
14.231	Emergency Solutions Grant Programs

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.