

I. ACTIVITY DESCRIPTION

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

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

B. Community Need.

The Homelessness Prevention Project (HPP) meets the need for homelessness prevention services identified as one of the highest priorities for homeless facilities and services funding in the City's 2010 Consolidated Plan. CDBG funding is used to fund 24% 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 high priority housing 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 also be provided 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. 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 type of services of the HPP. Consider the following stories of HPP clients who were able to avoid homelessness:

We provided extended legal services to “Mary”, who sought other housing after her landlord filed an eviction action against her for alleged criminal activity of her boyfriend during the course of a domestic violence incident against her. Although Mary was the victim in this incident, and obtained an order of protection from her boyfriend after the incident, the landlord still pursued the eviction. We were able to prevent involuntary homelessness by negotiating additional time for Mary and her two children to finalize their move to alternative housing.

We provided extended legal services to “Katherine” after the Housing Authority discovered that her brother had listed her address as his own in an application to another public housing authority. Katherine explained that he put her address down as a previous apartment, because he thought it would make him look like a better candidate for the subsidized apartment. The Housing Authority threatened to move forward with criminal charges for fraud against our client if they determined that her brother had been living with her. However, in this case, we were able to present evidence proving the client’s brother resided elsewhere. The Housing Authority dropped the eviction case as well as any possible fraud proceedings. Our representation in this case prevented involuntary homelessness for Katherine and her two children. Her tenancy continues in affordable housing.

In the 2009-2010 grant period, the HPP served 46 new households and prevented involuntary homelessness for 21 of them, benefitting 58 extremely low, low or moderate income persons. Homelessness was prevented by the HPP lawyer forestalling or preventing eviction, allowing households to retain their permanent housing and by gaining households additional time to locate permanent housing. In addition to assisting clients in retaining housing and providing clients with the time necessary to locate and secure alternative housing, we 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 stave off future homelessness. We believe we also prevented involuntary homelessness for other households to whom we provided advice and brief service. From July 1 to December 31, 2010, we did 29 new intakes, preventing homelessness for 10 households, benefitting 24 people. Project intake continues to be on track with five new intakes as of January 20, 2011.

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 2009-10 financial guidelines, a household of four cannot have a monthly gross income greater than \$2,696 (annualized at \$27,563). This is well below the income levels identified for the low and moderate income households the City aims to serve with its Community Development Block Grant program.

D. Performance Goals

If fully funded, the HPP will serve 60 low income households with advice, brief service, negotiation and full representation designed to prevent homelessness. We expect to prevent homelessness for 80% of the households who receive full representation. 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, 2011
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, 2012

F. The Homelessness Prevention Project does not require any additional local, state or federal approval.

2. Organizational Capacity

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

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

LASNNY has five offices, with the main office in Albany at 55 Colvin Avenue. We have had an office in Saratoga Springs since 1980 and are currently located at 112 Spring Street. The Saratoga staff consists of six attorneys, one paralegal and two support staff. Our current annual budget is \$5,509,932. The Legal Aid Society receives federal Legal Services Corporation funding, Interest on Lawyer Account funds, New York State legislative funds and other funds. Attached is a copy of our current Board officers and members. Our Saratoga Springs Board member is attorney, Ronald Kim of the Law Offices of Ronald 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

B. LASNNY's Experience -- In 2009, LASNNY closed 8,018 cases in various substantive areas, including homelessness prevention, housing, public assistance, disability and family law. Our work, including legal representation, community legal education, information and referrals directly benefitted over 44,383 individuals. Some of the benefits clients received were the prevention of homelessness 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 14 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 outcomes desired demonstrate our ability to continue the Homelessness Prevention Project. We are midway in fulfilling our current contract, and as of December 31, 2010, have served 29 of our projected 50 households.

C. HPP staff include:

Stuart Kaufman - 24% FTE Staff Attorney (or about 8 hours per week)

Mary Withington - .3% FTE Supervising Attorney (or about 1 hour per week)

Julie Casner - .3% FTE Legal Secretary (or about 1 hour per week)

The CDBG staff attorney is Stuart Kaufman, who has been with the Legal Aid Society since 2006. The Supervising Attorney and the Executive Director will monitor the quarterly statistics to enable us to gauge the quantity of client services and the level of services being provided. Financial management is performed by Lillian M. Moy, Executive Director and Brenda Bertram, 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 20% is pledged through Legal Services Corporation funds. We have been awarded \$1,544,938 for 2011. LSC funds are received to fund legal services to income-eligible clients, consistent with LSC requirements and restrictions.¹

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

(Attachment I)

Program Operating Budget

Entitlement Grant + Leveraged Funds = Total Activity Cost)

	Entitlement Grant	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PERSONNEL				
Salaries	12,676	1,067	13,743	<i>Legal Services Corporation</i>
Fringe	3,296	277	3,573	<i>Legal Services Corporation</i>
Other (consultants, etc.)	0	0	0	
<i>Subtotal</i>	<i>15,972</i>	<i>1,344</i>	<i>17,316</i>	

OVERHEAD				
Advertising/Marketing	0	0	0	
Program Supplies	0	0	0	
Rent & Utilities	0	0	0	
Other - List below				
<i>Program costs – Library, telephone, misc.</i>	0	2,600	2,600	<i>Legal Services Corporation</i>
<i>Audit</i>	28	56	84	<i>Legal Services Corporation</i>
<i>Subtotal</i>	<i>28</i>	<i>2,656</i>	<i>2,684</i>	

TOTAL COST	16000	4,000	20,000
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**Attachment to
Program Operating Budget**

Position	Salary	%Time on Grant	Project Cost	CDBG Funds	Match	% CDBG
Staff Attorney	53,092	24%	12,742	12,676	66	99%
Supv. Attorney	93,203	.3%	280		280	0%
Executive Director	131,232	.3%	394		394	0%
Fiscal Director	70,123	.3%	210	0	210	0%
Legal Secretary	39,059	.3%	117	0	117	0%
TOTAL SALARIES			13,743	12,676	1,067	
Fringe @ 26%			3,573	3,296	277	
PERSONNEL SUBTOTAL			17,316	15,972	1,344	92%
Program Costs*			2,600		2,600	0%
Audit			84	28	56	33%
NON- PERSONNEL SUBTOTAL			2,684	28	2,656	
TOTAL PROJECT COST			20,000	16,000	4,000	80%

***Program Costs:**

Space	874
Telephone	179
Library	247
Supplies	343
Training travel	122
Equip. Rental	140
Contract Svcs.	505
Other	190

(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: 7/110 - 6/111 CDBG Funding Amount: \$12,000

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>\$1,544,938</u>
<u>US Dept. Housing & Urban Development 14.235</u>	<u>\$ 35,595</u>
<u>US Dept. Housing & Urban Development 14.235</u>	<u>\$ 33,184</u>
<u>US Dept. Housing & Urban Development 14.235</u>	<u>\$ 33,000</u>
<u>US Dept. Housing & Urban Development 14.235</u>	<u>\$ 30,120</u>
<u>US Department of Justice 16.524</u>	<u>\$ 550,000</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
_____	_____
_____	_____

Wendy Walsh
Authorized Signature

JANUARY 27, 2011
Date

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2011 Program Year Funding --***

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

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
– 2011 Program Year Funding –

LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK
BOARD OF DIRECTORS

PRESIDENT

Amelia M. Klein, Esq.

1ST VICE PRESIDENT

Eleanor DeCoursey, Esq.

2ND VICE PRESIDENT

Paula Slater-Hurd

TREASURER

E. Stewart Jones, Esq.

SECRETARY

Andrew Schrader, Esq.

MEMBERS

Karen Brown

John Caffry, Esq.

Gene Chatterton

Eleanor DeCoursey, Esq.

Jondavid DeLong, Esq.

Stephen Johnston, Esq.

Edward Kaplan, Esq.

Karen Kenison

Ronald Kim, Esq.

Cathy Lawrence

Ann Leigh

Thomas J. O'Connor, Esq.

Nicholas Pignone, Esq.

Keith St. John, Esq.

Sherri L. Vertucci, Esq.

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2011 Program Year Funding --***

**Attachment B
Funding Commitment Letter from
the Legal Services Corporation**

LEGAL SERVICES CORPORATION
Acceptance of Grant Award

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

Service Area(s)	Grant Type	Amount	Start Date	End Date
NY-21	Basic Field-General	\$1,544,938	1/1/2011	12/31/2011

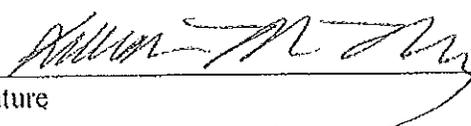
Recipient accepts the offer of the above-listed grant(s) as made in the grant award letter to which this Acceptance is attached, including the terms, conditions and assurances set forth in that letter, and any other special conditions attached hereto.

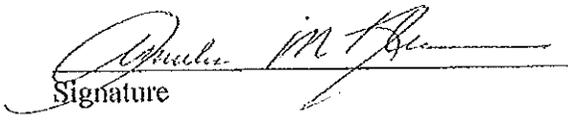
CONDITIONS: Board Composition

Recipient understands and agrees that the Grant Assurances for Year 2011 it certified to are fully applicable to this grant.

Lillian M. Moy
Name of Executive Director

Amelia M. Klein
Name of Chairperson


Signature


Signature

12/27/10
Date

12/20/2010
Date

To accept the terms of this grant and ensure the timely issuance of grant payments, review and sign this enclosure and follow the instructions in Attachment A for submitting special grant conditions (SGCs) and the Acceptance of Grant Award (AGA). All SGCs and the AGA must be submitted to LSC on or before January 13, 2011.

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2011 Program Year Funding --***

**Attachment C
2009 Financial Audit**

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

*FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
DECEMBER 31, 2009 AND 2008*

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
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DECEMBER 31, 2009 AND 2008

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CERTIFIED PUBLIC ACCOUNTANTS
AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

JOHN A. CIMINO, CPA, OF COUNSEL

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of The Legal Aid Society of Northeastern New York, Inc., LSC Recipient 233010 (the "Society") as of December 31, 2009 and 2008, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2010 on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The audit partner responsible for the 2009 and 2008 audits of the Society, LSC Recipient 233010, is James M. Cusack, CPA. The employer ID# for Cusack & Company, CPA's LLC is 14-1800427 and Mr. Cusack's social security number is 060-50-4008.



CUSACK & COMPANY, CPA'S, LLC

Latham, New York
April 23, 2010

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and Cash Equivalents	\$ 809,119	\$ 263,370
Client Escrow Funds	29,728	19,575
Grants and Accounts Receivable	1,204,406	1,002,343
Promises to Give, Net of Allowance	176,868	163,965
Prepaid and Other Current Assets	<u>109,082</u>	<u>85,207</u>
Total Current Assets	<u>2,329,203</u>	<u>1,534,460</u>
Property		
Land, Building and Equipment, at Cost	1,520,418	1,416,990
Less: Accumulated Depreciation	<u>(791,966)</u>	<u>(699,395)</u>
Total Property, Net	<u>728,452</u>	<u>717,595</u>
Other Assets		
Endowment Fund	32,310	9,257
Tuition Loan Program	58,688	27,601
Security Deposits	<u>3,855</u>	<u>3,855</u>
Total Other Assets	<u>94,853</u>	<u>40,713</u>
Total Assets	<u>\$ 3,152,508</u>	<u>\$ 2,292,768</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Line of Credit	\$ -	\$ 135,000
Current Portion of Long-Term Debt	32,053	29,688
Accounts Payable	177,381	87,919
Accrued Expenses	329,965	292,550
Client Trust Deposits	29,728	19,575
Deferred Revenues	<u>588,814</u>	<u>83,053</u>
Total Current Liabilities	1,157,941	647,785
Noncurrent Liabilities		
Long-Term Debt, Net of Current Portion	<u>228,972</u>	<u>260,799</u>
Total Liabilities	<u>1,386,913</u>	<u>908,584</u>
Net Assets		
Unrestricted	677,215	641,912
Temporarily Restricted	<u>1,088,380</u>	<u>742,272</u>
Total Net Assets	<u>1,765,595</u>	<u>1,384,184</u>
Total Liabilities and Net Assets	<u>\$ 3,152,508</u>	<u>\$ 2,292,768</u>

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

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,432,907	\$ 1,432,907
Disability Advocacy Program	-	526,456	526,456
NYS Legislative	-	229,368	229,368
Interest on Lawyers Account	-	1,024,377	1,024,377
Community Development Block Grants	-	11,618	11,618
Contributions, Fund Raising & Donated Services	219,945	16,515	236,460
Interest Income	1,127	-	1,127
Bad Debt Recoveries	8,352	-	8,352
NYS Member Items	-	155,344	155,344
Senior Legal Services/OFA	-	62,953	62,953
STOP Grants	-	61,704	61,704
Legal Aid Society Homelessness Unit	-	116,968	116,968
Miscellaneous	42,523	14,267	56,790
Other Local Grants	-	153,436	153,436
Homelessness Intervention Program	-	210,946	210,946
Protection and Advocacy Programs	-	119,700	119,700
Nutrition Consortium	-	163,925	163,925
Domestic Violence Legal Assistance Program	-	226,282	226,282
NYS Department of Health - AIDS	-	74,933	74,933
NYS Housing Trust Fund Corp	-	220,476	220,476
NYS Department of Health Rainbow DV	-	24,744	24,744
Foreclosure Prevention Program	-	14,949	14,949
Homelessness Prevention and Rapid Rehousing Program	-	73,593	73,593
Net Assets Released from Restrictions	<u>4,589,353</u>	<u>(4,589,353)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>4,861,300</u>	<u>346,108</u>	<u>5,207,408</u>
Expenses			
Legal Services	4,443,887	-	4,443,887
Management and General	252,442	-	252,442
Fund Raising	<u>129,668</u>	<u>-</u>	<u>129,668</u>
Total Expenses	<u>4,825,997</u>	<u>-</u>	<u>4,825,997</u>
Increase in Net Assets	35,303	346,108	381,411
Net Assets at Beginning of Year	<u>641,912</u>	<u>742,272</u>	<u>1,384,184</u>
Net Assets at End of Year	<u>\$ 677,215</u>	<u>\$ 1,088,380</u>	<u>\$ 1,765,595</u>

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

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,302,034	\$ 1,302,034
Disability Advocacy Program	-	552,935	552,935
NYS Legislative	-	216,826	216,826
Interest on Lawyers Account	-	1,024,577	1,024,577
Community Development Block Grants	-	21,284	21,284
Contributions, Fund Raising & Donated Services	212,467	1,305	213,772
Interest Income	542	-	542
NYS Member Items	-	386,186	386,186
Senior Legal Services/OFA	-	62,530	62,530
STOP Grants	-	60,468	60,468
Legal Aid Society Homelessness Unit	-	136,790	136,790
Miscellaneous	39,574	15,775	55,349
Other Local Grants	-	159,084	159,084
Homelessness Intervention Program	-	138,910	138,910
Protection and Advocacy Programs	-	119,700	119,700
Nutrition Consortium	-	166,528	166,528
Domestic Violence Legal Assistance Program	-	351,431	351,431
NYS Department of Health - AIDS	-	73,015	73,015
NYS Housing Trust Fund Corp	-	12,299	12,299
Net Assets Released from Restrictions	<u>4,378,347</u>	<u>(4,378,347)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>4,630,930</u>	<u>423,330</u>	<u>5,054,260</u>
Expenses			
Legal Services	4,162,985	-	4,162,985
Management and General	303,685	-	303,685
Fund Raising	<u>162,850</u>	<u>-</u>	<u>162,850</u>
Total Expenses	<u>4,629,520</u>	<u>-</u>	<u>4,629,520</u>
Increase in Net Assets	1,410	423,330	424,740
Net Assets at Beginning of Year	<u>640,502</u>	<u>318,942</u>	<u>959,444</u>
Net Assets at End of Year	<u>\$ 641,912</u>	<u>\$ 742,272</u>	<u>\$ 1,384,184</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Increase in Net Assets	\$ 381,411	\$ 424,740
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	92,571	88,677
Bad Debt Expense (Recoveries)	(8,352)	19,866
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Promises to Give	(4,551)	(55,256)
Grants and Accounts Receivable	(202,063)	(492,716)
Prepaid and Other Current Assets	(23,875)	4,060
Endowment Fund	(23,053)	1,027
Tuition Loan Program	(31,087)	(27,601)
Increase (Decrease) in Liabilities		
Accounts Payable	89,462	(68,465)
Accrued Expenses	37,415	54,432
Deferred Revenues	<u>505,761</u>	<u>(14,019)</u>
Net Cash Provided By (Used In) Operating Activities	<u>813,639</u>	<u>(65,255)</u>
Cash Flow Used In Investing Activities:		
Purchase of Land, Building and Equipment	<u>(103,428)</u>	<u>(113,619)</u>
Cash Flow Provided By (Used In) Financing Activities:		
Payments on Mortgages Payable	(29,462)	(27,488)
Proceeds from Line of Credit	113,000	290,000
Payments on Line of Credit	<u>(248,000)</u>	<u>(155,000)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(164,462)</u>	<u>107,512</u>
Increase (Decrease) in Cash and Cash Equivalents	545,749	(71,362)
Cash and Cash Equivalents, Beginning of Year	<u>263,370</u>	<u>334,732</u>
Cash and Cash Equivalents, End of Year	<u>\$ 809,119</u>	<u>\$ 263,370</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	<u>\$ 21,571</u>	<u>\$ 24,368</u>
Other Non-Cash Activities		
In-Kind Donation of Legal Services	<u>\$ 2,668</u>	<u>\$ 2,941</u>

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

STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Legal Services			Supporting Services		
	Private Attorney Involvement	General Client	Total	Management and General	Fund Raising	Total
Expenses						
Salaries and Wages	\$ 42,879	\$ 1,885,543	\$ 1,928,422	\$ 24,981	\$ 18,766	\$ 43,747
Lawyers	109,052	727,088	836,140	151,410	43,651	195,061
Non-Lawyers	42,249	726,512	768,761	49,050	17,357	66,407
Employee Benefits	6,771	279,095	285,866	3,691	17,116	20,807
Contract Services	1,126	18,732	19,858	1,227	408	1,635
Audit and Accounting	-	-	-	2,668	-	2,668
Legal and Professional Fees	4,802	71,911	76,713	1,623	3,232	4,855
Travel and Training	6,454	107,347	113,801	7,033	2,340	9,373
Occupancy	822	13,671	14,493	896	298	1,194
Repairs and Maintenance	10,449	63,112	73,561	3,892	13,382	17,274
Office Expense	1,945	33,423	35,368	2,119	2,006	4,125
Telephone	2,808	48,478	51,286	-	30	30
Library	1,175	19,539	20,714	1,280	426	1,706
Insurance	454	23,086	23,540	91	90	181
Professional Dues	1,674	27,839	29,513	1,824	607	2,431
Equipment Rental and Maintenance	-	92,571	92,571	-	-	-
Depreciation	1,442	4,872	6,314	-	-	-
Litigation	131	23,232	23,363	143	473	616
Interest and Bank Charges	7,842	35,761	43,603	514	9,486	10,000
Other Expense						
Total Expenses	<u>\$ 242,075</u>	<u>\$ 4,201,812</u>	<u>\$ 4,443,887</u>	<u>\$ 252,442</u>	<u>\$ 129,668</u>	<u>\$ 382,110</u>
						<u>\$ 4,825,997</u>

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

STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Legal Services		Management and General		Supporting Services		Total
	Private Attorney Involvement	General Client	Total	Fund Raising	Total	Total	
Expenses							
Salaries and Wages	\$ 38,200	\$ 1,664,555	\$ 1,702,755	\$ 37,634	\$ 16,423	\$ 54,057	\$ 1,756,812
Lawyers	114,077	764,482	878,559	172,356	54,995	227,351	1,105,910
Non-Lawyers	41,478	661,631	703,109	57,198	19,453	76,651	779,760
Employee Benefits	9,676	181,640	191,316	5,274	17,782	23,056	214,372
Contract Services	1,034	16,303	17,337	1,307	441	1,748	19,085
Audit and Accounting	-	-	-	2,941	-	2,941	2,941
Legal and Professional Fees	10,404	103,419	113,823	3,441	4,711	8,152	121,975
Travel and Training	6,608	104,150	110,758	8,352	2,817	11,169	121,927
Occupancy	1,035	16,303	17,338	1,307	441	1,748	19,086
Repairs and Maintenance	11,233	77,083	88,316	5,498	14,100	19,598	107,914
Office Expense	2,030	32,685	34,715	2,567	2,165	4,732	39,447
Telephone	3,198	51,416	54,614	1	35	36	54,650
Library	1,054	16,603	17,657	1,332	449	1,781	19,438
Insurance	480	22,456	22,936	92	31	123	23,059
Professional Dues	1,963	30,942	32,905	2,481	837	3,318	36,223
Equipment Rental and Maintenance	-	88,677	88,677	-	-	-	88,677
Depreciation	2,947	3,226	6,173	-	-	-	6,173
Litigation	115	24,267	24,382	145	374	519	24,901
Interest and Bank Charges	-	907	907	-	18,959	18,959	19,866
Bad Debt Expense	8,300	48,408	56,708	1,759	8,837	10,596	67,304
Other Expense							
Total Expenses	\$ 253,832	\$ 3,909,153	\$ 4,162,985	\$ 303,685	\$ 162,850	\$ 466,535	\$ 4,629,520

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 27.5% and 25.8% of the Society's support for the years ended December 31, 2009 and 2008, 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 Statement of Financial Accounting Standards N^o 116 "*Accounting for Contributions Received and Contributions Made*" and N^o 117 "*Financial Statements of Not-For-Profit Organizations*."

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 IOLA 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. Other LSC, IOLA and NYS Office of Temporary and Disability Assistance monies that have been received, but have not been recognized as revenue, are recorded as refundable advances. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (Continued)

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

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

Cash Equivalents

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

Property

Land, building and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Society has a capitalization policy of \$1,000.

Expense Allocation

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

Contributions

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

Income Taxes

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Materials and Services

Donated materials and services are recorded at their fair value in accordance with the provisions of Statement of Financial Accounting Standards N^o 116.

Estimates

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

Reclassification

Certain 2008 amounts have been reclassified to conform to 2009 presentation.

Fair Value Measurement - Definition and Hierarchy

In 2008, the Society adopted the provisions of FASB ASC 820-10, (formerly SFAS No. 157), *Fair Value Measurements*. FASB ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Society uses various valuation techniques in determining fair value. FASB ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Society. Unobservable inputs are inputs that reflect the Society's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Society has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement - Definition and Hierarchy (Continued)

The Society's cash and cash equivalents are primarily valued utilizing Level 1 inputs.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

The Society currently has no assets or liabilities that are measured using Level 2 inputs.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Society currently has no asset or liabilities that are measured using Level 3 inputs.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Society in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Accounting for Uncertainty in Income Taxes

In June 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109, Accounting for Income Taxes ("FIN 48")*. FIN 48, now referred to as FASB ASC 740-10, requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The Society implemented this policy in 2008 and its current accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. The Society has not recognized any benefits from uncertain tax positions in 2008 or 2009 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date of December 31, 2009.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through April 23, 2010, the date the financial statements were available to be issued.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

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, 2009 and 2008, grants and accounts receivable were comprised of the following funding sources:

	<u>2009</u>	<u>2008</u>
Albany Law School	\$ 2,472	\$ 3,227
CARES, Inc.	13,863	-
Catskill Mountain Housing	10,208	-
City of Albany	1,050	235
City of Saratoga	2,781	-
City of Schenectady	3,291	5,658
Community Legal Services	-	60
County of Albany	100,599	43,655
County of Fulton	2,065	565
County of St. Lawrence	771	-
County of Washington	1,750	1,750
County of Warren	26,906	13,125
Disability Advocacy Program	3,450	-
ETC Housing	1,735	-
Joseph's Housing and Shelter	26,522	21,463
Legal Aid Society of Rochester	2,201	-
Schenectady Community Action Plan	24,194	13,760
St. Regis Mohawk Indian Tribe	797	1,152
State of New York	829,895	738,614
Nutrition Consortium	34,221	37,415
United States Department of Housing and Urban Development	18,157	27,250
United States Department of Justice	84,758	94,414
United Way	2,195	-
WAIT House	10,525	-
	<u>\$ 1,204,406</u>	<u>\$ 1,002,343</u>

4. PROMISES TO GIVE

At December 31, 2009 and 2008, the Society had \$186,177 and \$185,815, 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 \$9,309 and \$21,850 at December 31, 2009 and 2008, respectively, has been provided based on historical experience and management's analysis of specific promises made and is reflected in the above amounts.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

5. PROPERTY

Land, building and equipment at December 31, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Land	\$ 20,000	\$ 20,000
Building	551,554	551,554
Building Improvements	274,914	261,711
Equipment, Furniture and Fixtures	631,877	541,652
Law Library	<u>42,073</u>	<u>42,073</u>
Total at Cost	1,520,418	1,416,990
Less: Accumulated Depreciation	<u>(791,966)</u>	<u>(699,395)</u>
 Total Property, Net	 <u>\$ 728,452</u>	 <u>\$ 717,595</u>

The Society had \$103,428 and \$113,619 in additions for the year ended December 31, 2009 and 2008, respectively, of which \$85,082 and \$98,623 in 2009 and 2008, respectively, were purchased with monies provided by LSC. The net book value of the LSC equipment is \$170,382 and \$126,269 at December 31, 2009 and 2008, respectively. Total depreciation expense was \$92,571 and \$88,677 for the year ended December 31, 2009 and 2008, respectively.

6. LINE OF CREDIT

The Society has a \$300,000 demand line of credit available with a bank, of which \$0 and \$135,000 was outstanding as of December 31, 2009 and 2008, respectively. The line of credit expired on March 2, 2010 (renewed through March 2, 2011), and bears interest at 4.25% at December 31, 2009.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

7. LONG-TERM DEBT

Long-term debt at December 31, 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Mortgage payable to private party in monthly installments of \$2,075 with interest at 7.0%, collateralized by real estate.	\$ 63,992	\$ 83,721
Mortgage payable to bank in monthly installments of \$1,121 with interest at 8.41%, collateralized by real estate.	100,728	105,378
Mortgage payable to bank in monthly installments of \$1,008 with interest at 7.0%, collateralized by real estate.	<u>96,305</u>	<u>101,388</u>
Total	261,025	290,487
Less: Current Portion	<u>(32,053)</u>	<u>(29,688)</u>
	<u>\$ 228,972</u>	<u>\$ 260,799</u>

Current maturities of long-term debt are as follows:

2010	\$ 32,053
2011	34,451
2012	32,857
2013	13,718
2014	14,814
Thereafter	<u>133,132</u>
	<u>\$ 261,025</u>

8. NET ASSETS

As discussed in Note 1, the Society adopted Statement of Financial Accounting Standards No. 117 and is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The following is additional detail as to the components of the Society's classes of net assets at December 31, 2009 and 2008:

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2009 AND 2008

8. NET ASSETS (CONTINUED)

	<u>2009</u>	<u>2008</u>
Unrestricted Net Assets (Accumulated Deficit):		
Property, Net of Debt	\$ 290,005	\$ 288,392
Fund Raising	411,345	306,796
Other	<u>(24,135)</u>	<u>46,724</u>
Total Unrestricted Net Assets	<u>677,215</u>	<u>641,912</u>
Temporarily Restricted Net Assets:		
Fund Raising - Endowment Fund	32,310	9,257
Legal Services Corporation - Cash	125,379	130,203
Legal Services Corporation - Property	170,382	126,145
Department of Criminal Justice Service - Property	7,040	12,571
Interest on Lawyers Account - Cash	<u>753,269</u>	<u>464,096</u>
Total Temporarily Restricted Net Assets	<u>1,088,380</u>	<u>742,272</u>
Total Net Assets	<u>\$ 1,765,595</u>	<u>\$ 1,384,184</u>

9. LEASE COMMITMENTS

The Society has three noncancellable operating lease agreements, absent significant defunding which would allow early termination, for the rental of office space in Canton, Saratoga and Amsterdam, New York expiring December 2010, February 2010 and June 2010, respectively. Total rent expense was \$68,814 and \$66,666 for the years ended December 31, 2009 and 2008, respectively.

The Society has two noncancellable operating lease agreements for rental of office photocopiers in Canton and Plattsburgh expiring December 2010. Total rent expense was \$5,000 for the years ended December 31, 2009 and 2008.

The future lease payments for all leases above are as follows:

2010	\$ 34,842
2011	<u>5,000</u>
	<u>\$ 39,842</u>

10. EMPLOYEE BENEFITS

Under a collective bargaining agreement between the Society and Consolidated Legal Aid Workers, the Society may contribute an amount up to 5% of certain eligible employees' compensation earned during the year to separate annuity contracts in the name of each employee to provide benefits at retirement. By agreement of the parties, there was \$99,556 and \$89,951 contributed for the years ended December 31, 2009 and 2008, respectively, which represents a 5% contribution.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

11. OTHER CONTINGENCIES

At various times during 2009 and 2008, the Society's bank accounts exceeded the Federal Deposit Insurance Corporation limit of \$250,000 per banking institution. However, these funds were used by the Society for immediate operating expenses.

OTHER FINANCIAL INFORMATION

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

**SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Legal Corporation	Homeless Prevention	Disability and Protection Advocacy	Interest on Lawyers Account	NYS Legislative	Domestic Violence	Senior Legal Services	HIV/AIDS Programs	Other	Property	Management and General	Fund Raising	Total
Support and Revenue													
Contracts and Grants	\$ 1,432,907	\$ 725,758	\$ 646,156	\$ 1,024,377	\$ 229,368	\$ 323,266	\$ 65,598	\$ 112,311	\$ 369,540	\$ -	\$ 18,500	\$ -	\$ 4,947,581
Contributions, Fundraising and Donated Services	720	-	-	-	-	-	-	-	-	-	2,668	233,793	237,181
Interest Income	1,106	-	-	-	-	-	-	14	-	-	-	7	1,127
Bad Debt Recoveries (Expense)	-	(4,189)	-	-	-	-	-	-	-	-	-	12,541	8,352
Miscellaneous	-	-	-	-	-	-	-	-	-	-	12,863	304	15,167
Total Support and Revenue	1,434,733	721,569	646,156	1,024,377	229,368	323,266	65,598	112,325	369,540	-	34,031	246,645	5,207,408
Expenses													
Salaries and Wages													
Lawyers	145,422	470,264	510,004	132,812	90,577	265,978	78,626	74,406	164,333	-	24,981	18,766	1,972,169
Other Staff	159,014	11,954	19,580	119,529	26,812	8,059	4,245	671	4,900	-	151,410	43,651	549,805
Paralegals	128,874	74,806	55,532	46,006	32,561	965	10,506	2	132,144	-	-	-	481,396
Employee Benefits	119,937	154,896	162,707	82,963	41,698	75,910	25,966	20,878	83,806	-	49,050	17,357	855,168
Contract Services - Clients	-	101,799	-	-	-	55,103	-	40,130	-	-	-	848	197,880
Contract Services - Program	14,545	15,515	10,581	22,859	1,394	7,814	2,130	1,868	12,128	-	5,691	16,268	108,793
Audit and Accounting	3,854	4,022	3,727	2,237	491	1,928	668	552	2,379	-	1,227	408	21,493
Legal and Professional Fees	-	-	-	-	-	-	-	-	-	-	2,668	-	2,668
Travel	8,287	13,911	8,317	3,081	673	11,515	5,249	1,891	11,015	-	1,537	-	65,369
Training	2,696	3,481	1,559	2,004	440	2,820	332	794	648	-	86	1,339	16,199
Occupancy	22,085	23,046	21,358	12,817	2,814	11,049	3,331	3,166	13,655	-	7,033	2,340	123,174
Repairs and Maintenance	2,813	2,935	2,720	1,632	358	1,407	488	403	1,737	-	896	298	15,687
Office Expense	19,107	13,711	11,819	7,183	1,538	6,643	2,424	2,056	9,060	-	3,892	13,382	90,855
Telephone	6,653	6,945	6,434	3,861	848	3,329	1,154	954	5,192	-	2,119	2,006	39,493
Library	10,095	10,029	9,292	5,975	1,312	4,818	1,666	1,379	6,720	-	-	30	51,316
Insurance	4,020	4,195	3,888	2,333	512	2,011	697	576	2,482	-	1,280	426	22,420
Professional Dues	1,618	1,671	1,502	16,217	209	779	362	223	959	-	91	90	23,721
Equipment Rental and Maintenance	5,728	5,977	5,539	3,324	730	2,865	993	821	3,536	-	1,824	607	31,944
Depreciation	-	-	-	-	-	-	-	-	-	92,571	-	-	92,571
Litigation	1,836	674	708	323	71	989	106	80	1,527	-	-	-	6,314
Interest and Bank Charges	450	469	435	21,307	57	225	78	64	278	-	143	473	23,979
Other Expense	8,788	1,392	1,257	3,380	166	650	396	366	27,208	-	514	9,486	55,605
Total Expenses	663,822	921,690	836,950	489,843	203,281	462,837	137,917	151,280	483,687	92,571	252,442	129,668	4,825,997
Increase (Decrease) of Support and Revenue Over Expenses before Administrative and Overhead Allocations	770,911	(200,121)	(190,803)	534,534	26,087	(139,571)	(72,519)	(38,955)	(114,147)	(92,571)	(218,411)	116,977	581,411
Allocation of Administrative Costs	(41,487)	(43,354)	(40,144)	(24,136)	(5,292)	(20,795)	(7,208)	(5,963)	(25,619)	-	218,411	(4,415)	-
Reallocation of Reimbursed Costs for Matching Purposes	(649,166)	243,475	230,947	(221,225)	(20,795)	160,364	79,727	44,918	139,768	-	-	(8,013)	-
Other Changes in Net Assets - Acquisition of Property	(85,082)	-	-	-	-	-	-	-	(18,346)	103,428	-	-	-
Other Changes in Net Assets - Debt Payments and Proceeds, Net	-	-	-	464,096	-	-	-	-	(29,462)	29,462	-	-	-
Net Assets, Beginning of Year	130,203	-	-	753,269	-	-	-	-	55,981	427,108	-	-	1,384,184
Net Assets, End of Year	\$ 125,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,175	\$ 467,427	\$ -	\$ 411,345	\$ 1,765,595

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2011 Program Year Funding --***

**Attachment D
2009 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, 2009*

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, 2009

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AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

JOHN A. CIMINO, CPA, OF COUNSEL

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

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

We have audited the financial statements of The Legal Aid Society of Northeastern New York, Inc. as of and for the year ended December 31, 2009 and have issued our report thereon dated April 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether The Legal Aid Society of Northeastern New York, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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



CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 23, 2010

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JOHN A. CIMINO, CPA, OF COUNSEL

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

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

COMPLIANCE

We have audited the compliance of The Legal Aid Society of Northeastern New York, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The Legal Aid Society of Northeastern New York, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Legal Aid Society of Northeastern New York, Inc.'s management. Our responsibility is to express an opinion on The Legal Aid Society of Northeastern New York, Inc.'s compliance based on our audit.

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

In our opinion, The Legal Aid Society of Northeastern New York, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

INTERNAL CONTROL OVER COMPLIANCE

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

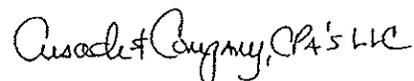
A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of The Legal Aid Society of Northeastern New York, Inc. as of and for the year ended December 31, 2009, and have issued our report thereon dated April 23, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 23, 2010

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>LSC Recipient Number/ CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Disbursements/ Expenditures</u>
<u>Legal Services Corporation:</u>			
Legal Services Corporation - Albany	09.233010	-	\$ 1,432,907
Total Legal Services Corporation			<u>1,432,907</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Housing and Urban Development - Community Development Block Grant	14.218	-	9,172
Housing and Urban Development - Community Development Block Grant (Pass-Through)	14.218	14-1505559	2,445
Housing and Urban Development - Legal Aid Society Homelessness Unit (Pass-Through)	14.235	14-1636163	34,899
Housing and Urban Development - Legal Aid Society Homelessness Unit	14.235	-	82,070
Housing and Urban Development - Homelessness Prevention and Rapid Rehousing Program - ARRA	14.257	-	<u>73,593</u>
Total U.S. Department of Housing and Urban Development			<u>202,179</u>
<u>U.S. Department of Justice</u>			
Office of Justice Programs - Domestic Violence Legal Assistance Program	16.524	-	<u>226,282</u>
Total U.S. Department of Justice			<u>226,282</u>
<u>U.S. Department of Health and Human Services:</u>			
Temporary Assistance for Needy Families	93.558	-	74,429
Nutrition Consortium (Pass-Through)	93.045	22-2954760	150,811
Passed Through New York State Commission on Quality of Care APD			
Protection and Advocacy for Developmentally Disabled	93.630	14-6013200	88,200
Protection and Advocacy for Mentally Ill	93.630	14-6013200	31,500
Total U.S. Department of Health and Human Services			<u>344,940</u>
Total Expenditures of Federal Awards			<u>\$ 2,206,308</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2009

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, 2009 . 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, 2009.

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, 2009 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:		
Family Counseling Center	16.524	\$ 4,210
Catholic Charities of Schoharie County	16.524	4,855
Catholic Charities of Fulton and Montgomery Counties	16.524	5,424
Catholic Charities of Saratoga, Warren and Washington Counties	16.524	2,771
Rural Law Center of NY	16.524	2,105
Domestic Violence Rape Crisis	16.524	5,263
St. Lawrence Valley Renewal House	16.524	5,307
Behavioral Health Services	16.524	500
Community Action of Greene County	16.524	3,355
Mechanicville Area Community Services	16.524	3,158
Comlinks, Inc.	16.524	8,894
		<u>\$ 45,842</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, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major programs:

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

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

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

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER(S)</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
------------------------------	--

09.233010	Legal Services Corporation
-----------	----------------------------

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.