APPLICATION FOR

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM

-- 2012 Program Year Funding--

ACTIVITY NAME:

Homelessness Prevention Project

APPLICANT:

Legal Aid Society of Northeastern New York, Inc.

MAILING ADDRESS:

112 Spring Street

Saratoga Springs Zip: *12866*

PHONE: *(518) 689-6304* FAX: *(518) 427-8352* EMAIL: *lmoy@lasnny.org*

CONTACT PERSON: *Lillian M. Moy* TITLE: *Executive Director*

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

(List Dept.) *141338448* (List Federal ID#) (Specify)

17-225-7115
(DUNS #)

NATIONAL OBJECTIVE *(select 1):*

"Benefit persons of Low/moderate income"
- ☐ L/M Income Area Benefit
- ☒ L/M Income Limited Clientele Activities
- ☐ L/M Income Housing Activities
- ☐ L/M Income Job Creation/Retention

"Address slum/blight Conditions"
- ☐ *"N/A"* ☐ Slum/blighted Area
- ☐ Slum/blighted Spot Basis
- ☐ *"N/A"* ☐ Urban Renewal Completion

"Urgent CD Need"
- *"N/A"* ☐ Urgent Need

REQUESTED ENTITLEMENT FUNDING: $ 16,000

Funding Leveraged from Other Sources: $ 5,351

Total Activity Cost $ 21,351

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

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

(Authorized Signature) *Executive Director* (Title)

Lillian M. Moy (Typed or Printed Name) *January 20, 2012* (Date)

1. ACTIVITY DESCRIPTION

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

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

B. Community Need.

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

> Lillian is a single mother with two children, one of whom, age 7, has severe medical issues including nephritic syndrome. She and her sons live in subsidized housing managed by the Saratoga Springs Housing Authority (SSHA). The SSHA filed an eviction action against Lillian for underpayment of rent due to an alleged failure to accurately report her household income.

We were able to settle the case, agreeing to a reduced arrears amount which could be paid back in installments over time. Involuntary homelessness was prevented for Lillian and her children, and she has a second chance to maintain her subsidized housing.

Marcy and Robert and their son rented an apartment from a private landlord and were being evicted for non-payment of rent. We were able to negotiate a payment plan which allowed the family to maintain their housing without interruption.

In the 2010-2011 grant period, the HPP served 52 new households and prevented involuntary homelessness for 23 of them, benefitting 55 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, 2011, we did 22 new intakes, preventing homelessness for eight households, benefitting 17 people. Project intake continues to be on track with six new intakes as of January 25, 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 2011 financial guidelines, a household of four cannot have a monthly gross income greater than $2,328 (annualized at $27,938). 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. In 2010-11, we prevented homelessness for 85% of the households who received extended representation. Case file records and the Society's case management system will document whether we have met our performance goals.

E. Timeframe/Schedule

Activity	Time Frame
1. Commence CDBG-funded Homelessness Prevention representation	July 1, 2012
2. Outreach/community networking.	Ongoing from date of commencement.

to announce renewed Homelessness
Prevention Project at community meetings.
Provide ongoing notice of Project at
community meetings.

3. Homelessness Prevention Project representation Ongoing from date of commencement.
   to low income households.

4. Community Legal Education event By January 31, 2013
   on landlord-tenant rights and responsibilities.

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 $4,492,753. The Legal Aid Society receives federal Legal Services Corporation funding, Interest on Lawyer Account funds, Judiciary Civil Legal Services 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 J. Kim of the Law Offices of Ronald J. Kim.

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

October 1996 - September1997	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

B. LASNNY's Experience -- In 2010, LASNNY closed 8,017 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 62,699 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 15 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, 2011, have served 22 of our projected 38 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 Shamim Huq, Fiscal Director, both of whom have extensive experience in program and financial management.

D. While there are no other formal partners in this activity, the Legal Aid Society will work cooperatively with staff of the City of Saratoga Springs Community Development Office, the Office of Public Safety and many other community agencies in implementing the Homelessness Prevention Project.

3. ACTIVITY BUDGET

A. See Attached.

B. If fully funded, substantial leveraging of 25% is pledged through Legal Services Corporation (LSC) funding and $627,000 in Judiciary Civil Legal Services (JCLS) funding (for 2011-12). LSC funds are received to fund legal services to income-eligible clients, consistent with LSC requirements and restrictions.[1]

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

(Attachment 1)

Program Operating Budget

Entitlement Grant + Leveraged Funds = Total Activity Cost)

	Entitlement Grant	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PERSONNEL				
Salaries	12,676	1,601	14,277	***LSC & JCLS***
Fringe	3,296	987	4,283	***LSC & JCLS***
Other (consultants, etc.)				
Subtotal	15,972	2,588	18,560	
OVERHEAD				
Advertising/Marketing	0	0	0	
Program Supplies	0	0	0	
Rent & Utilities	0	0	0	
Other - List below				
Program costs – Library, telephone, misc.	0	2,707	2,707	***LSC & JCLS***
Audit	28	56	84	***LSC & JCLS***
Subtotal	28	2,763	2,791	
TOTAL COST	**$16,000**	**$5,351**	**$21,351**	

Attachment to
Program Operating Budget

Position	Salary	%Time on Grant	Project Cost	CDBG Funds	Match	% CDBG
Staff Attorney	$55,096	24%	13,223	12,676	547	96%
Supv. Attorney	99,533	.3%	299	0	299	0%
Executive Director	141,829	.3%	425	0	425	0%
Fiscal Director	70,000	.3%	210	0	210	0%
Legal Secretary	40,147	.3%	120	0	120	0%
TOTAL SALARIES		25.2%	14,277	12,676	1,601	
Fringe @ 30%			4,283	3,296	987	77%
PERSONNEL SUBTOTAL			18,560	15,972	2,588	
Program Costs*			2,707		2,707	
Audit			84	28	56	33%
NON-PERSONNEL SUBTOTAL			$2,791	28	2,763	
TOTAL PROJECT COST			21,351	16,000	5,351	75%

***Program Costs:**

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

(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: *7/11 - 6/12* CDBG Funding Amount: *$10,059*

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

GIVE NAME & CATALOG OF FEDERAL FINANCIAL ASSISTANCE (CDFA) #		AMOUNT OF AWARDS
Legal Services Corporation	*10.233010*	*$1,265,773*
US Dept. Housing & Urban Development	*14.235*	*$ 35,595*
US Dept. Housing & Urban Development	*14.235*	*$ 33,184*
US Dept. Housing & Urban Development	*14.235*	*$ 33,000*
US Dept. Housing & Urban Development	*14,235*	*$ 30,120*
US Department of Justice	*16.524*	*$ 550,000*

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 20, 2012
Date

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
-- 2012 Program Year Funding --

Attachment A
List of Board Officers/Members

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
-- 2012 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.
Jondavid DeLong, Esq.
Stephen Johnston, Esq.
Edward Kaplan, Esq.
Karen Kenison
Ronald Kim, Esq.
Cathy Lawrence
Timothy P. Morrison, Esq.
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
-- 2012 Program Year Funding --

Attachment B
Evidence of Match Funds

LEGAL SERVICES CORPORATION
Acceptance of Grant Award

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

Service Area(s)	Grant Type	Amount	Start Date	End Date
NY-21	Basic Field-General	$1,265,773	1/1/2012	12/31/2012

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 2012 it certified to are fully applicable to this grant.

Lillian M. Moy
Name of Executive Director

Signature

1/10/12
Date

Eleanor M. DeCoursey
Name of Vice-President

Signature

1/10/12
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 12, 2012.**

OVERSIGHT BOARD FOR JUDICIARY CIVIL LEGAL SERVICES FUNDS IN NEW YORK

HELAINE M. BARNETT, ESQ.
Chair, Chief Judge's Task Force to Expand Access to Civil Legal Services in New York

HON. ANN PFAU
Chief Administrative Judge, NYS Unified Court System

BENITO ROMANO, ESQ.
Chair, Board of Trustees, IOLA Fund of the State of New York

August 2, 2011

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

Dear Ms. Moy:

We are pleased to inform you that the Oversight Board for Judiciary Civil Legal Services Funds in New York has approved a grant of $627,000 to your program, in furtherance of the provision of civil legal assistance to low-income New Yorkers in matters involving the essentials of life.

IOLA will be contacting you soon concerning your contract, including its terms and conditions. All program participants will be required to provide a preliminary status report to the Board, by October 31st, describing in detail the use of the grant funds. A form will be provided to you by the Board for your submission.

We are gratified to be able to provide these funds to expand access to civil legal services. Congratulations on your successful application.

Very truly yours,

Helaine M. Barnett

Ann Pfau

Benito Romano

25 BEAVER STREET, NEW YORK, NEW YORK 10004 • PHONE: 212-428-2120

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
-- 2012 Program Year Funding --

Attachment C
2010 Financial Audit

The Legal Aid Society of Northeastern New York, Inc.
LSC Recipient 233010

Financial Statements and Other Financial Information
December 31, 2010 and 2009

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CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
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MEMBERS OF:
AMERICAN INSTITUTE OF
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, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2010 and 2009, 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 21, 2011 on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Society taken as a whole. The schedule of support, revenue, expenses and changes in net assets on page 17 presented for purposes of additional analysis and is not a required part of the basic financial statements of the Society. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The audit partner responsible for the 2010 and 2009 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

CUSACK & COMPANY, CPA'S, LLC

Latham, New York
April 21, 2011

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

ASSETS

	2010	2009
Current Assets		
Cash and Cash Equivalents	$ 711,171	$ 809,119
Client Escrow Funds	30,272	29,728
Grants and Accounts Receivable	909,694	1,204,406
Promises to Give, Net of Allowance	184,815	176,868
Prepaid and Other Current Assets	58,602	109,082
Total Current Assets	1,894,554	2,329,203
Property		
Land, Building and Equipment, at Cost	1,440,570	1,520,418
Less: Accumulated Depreciation	(690,990)	(791,966)
Total Property, Net	749,580	728,452
Other Assets		
Endowment Fund	55,939	32,310
Tuition Loan Program	50,199	58,688
Security Deposits	3,855	3,855
Total Other Assets	109,993	94,853
Total Assets	$ 2,754,127	$ 3,152,508

LIABILITIES AND NET ASSETS

Current Liabilities		
Current Portion of Long-Term Debt	$ 28,890	$ 32,053
Accounts Payable	86,205	177,381
Accrued Expenses	354,526	329,965
Client Trust Deposits	30,272	29,728
Deferred Revenues	403,321	588,814
Total Current Liabilities	903,214	1,157,941
Noncurrent Liabilities		
Long-Term Debt, Net of Current Portion	104,924	228,972
Total Liabilities	1,008,138	1,386,913
Net Assets		
Unrestricted	666,395	677,215
Temporarily Restricted	1,079,594	1,088,380
Total Net Assets	1,745,989	1,765,595
Total Liabilities and Net Assets	$ 2,754,127	$ 3,152,508

See accompanying notes and independent auditor's report.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

See accompanying notes and independent auditor's report.

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

	Unrestricted	Temporarily Restricted	Total
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/Office of the Aging	-	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	4,589,353	(4,589,353)	-
Total Support, Revenue and Reclassifications	4,861,300	346,108	5,207,408
Expenses			
Legal Services	4,443,887	-	4,443,887
Management and General	252,442	-	252,442
Fund Raising	129,668	-	129,668
Total Expenses	4,825,997	-	4,825,997
Increase in Net Assets	35,303	346,108	381,411
Net Assets at Beginning of Year	641,912	742,272	1,384,184
Net Assets at End of Year	$ 677,215	$ 1,088,380	$ 1,765,595

See accompanying notes and independent auditor's report.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Increase/Decrease in Net Assets	$ (19,606)	$ 381,411
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	91,431	92,571
Bad Debt Expense (Recoveries)	21,948	(8,352)
Loss on Disposal of Asset	986	-
Deferred Revenues	(185,493)	505,761
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Promises to Give	(29,895)	(4,551)
Grants and Accounts Receivable	294,712	(202,063)
Prepaid and Other Current Assets	50,480	(23,875)
Endowment Fund	(23,629)	(23,053)
Tuition Loan Program	8,489	(31,087)
Increase (Decrease) in Liabilities		
Accounts Payable	(91,176)	89,462
Accrued Expenses	24,561	37,415
Net Cash Provided By (Used In) Operating Activities	142,808	813,639
Cash Flow Used In Investing Activities:		
Purchase of Land, Building and Equipment	(113,544)	(103,428)
Net Cash Used in Investing Activities	(113,544)	(103,428)
Cash Flow Provided By (Used In) Financing Activities:		
Payments on Mortgages Payable	(127,212)	(29,462)
Proceeds from Line of Credit	-	113,000
Payments on Line of Credit	-	(248,000)
Net Cash Provided By (Used In) Financing Activities	(127,212)	(164,462)
Increase (Decrease) in Cash and Cash Equivalents	(97,948)	545,749
Cash and Cash Equivalents, Beginning of Year	809,119	263,370
Cash and Cash Equivalents, End of Year	$ 711,171	$ 809,119
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	$ 18,015	$ 21,571
Other Non-Cash Activities		
In-Kind Donation of Legal Services	$ 368	$ 2,668

See accompanying notes and independent auditor's report.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Legal Services			Supporting Services			
	Private Attorney Involvement	General Client	Total	Management and General	Fund Raising	Total	Total
Expenses							
Salaries and Wages							
Lawyers	$ 30,556	$2,156,713	$2,187,269	$ 35,964	$ 12,121	$ 48,085	$2,235,354
Non-Lawyers	106,197	717,636	823,833	204,945	64,446	269,391	1,093,224
Employee Benefits	43,985	966,201	1,010,186	77,486	24,627	102,113	1,112,299
Contract Services	7,126	417,067	424,193	6,756	11,886	18,642	442,835
Audit and Accounting	880	18,504	19,384	1,341	426	1,767	21,151
Legal and Professional Fees	-	-	-	368	-	368	368
Travel and Training	2,812	79,508	82,320	2,662	1,905	4,567	86,887
Occupancy	5,126	107,786	112,912	7,812	2,483	10,295	123,207
Repairs and Maintenance	754	15,851	16,605	1,149	365	1,514	18,119
Office Expense	7,688	80,503	88,192	5,567	8,185	13,752	101,943
Telephone	1,441	31,388	32,829	2,226	1,826	4,052	36,881
Library	2,844	60,120	62,964	19	36	55	63,019
Insurance	1,026	21,587	22,613	1,565	497	2,062	24,675
Professional Dues	304	21,744	22,048	115	37	152	22,200
Equipment Rental and Maintenance	1,405	28,132	29,537	3,025	691	3,716	33,253
Depreciation	-	91,431	91,431	-	-	-	91,431
Litigation	1,509	6,057	7,566	-	-	-	7,566
Interest and Bank Charges	274	23,258	23,532	417	716	1,133	24,665
Bad Debts	-	-	-	-	21,948	21,948	21,948
Other Expense	5,437	40,524	45,961	561	12,355	12,916	58,877
Total Expenses	$ 219,364	$4,884,010	$5,103,374	$ 351,978	$ 164,550	$ 516,528	$5,619,902

See accompanying notes and independent auditor's report.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.
LSC RECIPIENT 233010
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Legal Services			Supporting Services			
	Private Attorney Involvement	General Client	Total	Management and General	Fund Raising	Total	Total
Expenses							
Salaries and Wages							
Lawyers	$ 42,879	$1,885,543	$1,928,422	$ 24,981	$ 18,766	$ 43,747	$1,972,169
Non-Lawyers	109,052	727,088	836,140	151,410	43,651	195,061	1,031,201
Employee Benefits	42,249	726,512	768,761	49,050	17,357	66,407	835,168
Contract Services	6,771	279,095	285,866	3,691	17,116	20,807	306,673
Audit and Accounting	1,126	18,732	19,858	1,227	408	1,635	21,493
Legal and Professional Fees	-	-	-	2,668	-	2,668	2,668
Travel and Training	4,802	71,911	76,713	1,623	3,232	4,855	81,568
Occupancy	6,454	107,347	113,801	7,033	2,340	9,373	123,174
Repairs and Maintenance	822	13,671	14,493	896	298	1,194	15,687
Office Expense	10,449	63,112	73,561	3,892	13,382	17,274	90,835
Telephone	1,945	33,423	35,368	2,119	2,006	4,125	39,493
Library	2,808	48,478	51,286	-	30	30	51,316
Insurance	1,175	19,539	20,714	1,280	426	1,706	22,420
Professional Dues	454	23,086	23,540	91	90	181	23,721
Equipment Rental and Maintenance	1,674	27,839	29,513	1,824	607	2,431	31,944
Depreciation	-	92,571	92,571	-	-	-	92,571
Litigation	1,442	4,872	6,314	-	-	-	6,314
Interest and Bank Charges	131	23,232	23,363	143	473	616	23,979
Other Expense	7,842	35,761	43,603	514	9,486	10,000	53,603
Total Expenses	$ 242,075	$4,201,812	$4,443,887	$ 252,442	$ 129,668	$ 382,110	$4,825,997

See accompanying notes and independent auditor's report.

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 27.6% and 27.5% of the Society's support for the years ended December 31, 2010 and 2009, respectively, was provided by LSC.

Basis of Accounting

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

Support and Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Society recognizes grant funds from LSC and 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 $5,000 (formerly $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 FASB ASC 958.

Estimates

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

Reclassification

Certain 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's promises to give and land and buildings 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

The Financial Accounting Standards Board issued ASC 740-10-25-17, (formerly FIN 48, *Accounting for Uncertainty in Income Taxes).* 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 21, 2011, the date the financial statements were available to be issued.

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, 2010 and 2009, grants and accounts receivable were comprised of the following funding sources:

	2010	2009
Albany Community Development Agency	$ 526	$ -
Albany Law School	16,041	2,472
CARES, Inc.	-	13,863
Catholic Charities of Schoharie County	3,145	-
Catholic Charities of Saratoga, Washington, and Warren	7,661	-
Catskill Mountain Housing Development Corp.	2,074	10,208
City of Albany	13,221	1,050
City of Saratoga	6,770	2,781
City of Schenectady	7,366	3,291
Columbia Opportunities, Inc.	5,818	-
Community Legal Services	-	-
County of Albany	61,773	100,599
County of Fulton	3,100	2,065
County of St. Lawrence	471	771
County of Washington	1,750	1,750
County of Warren	20,180	26,906
Disability Advocacy Program	174,695	3,450
ETC Housing	11,191	1,735
Greene County Foreclosure Prevention	13,469	-
Joseph's Housing and Shelter	29,856	26,522
Legal Aid Society of Rochester	-	2,201
Massena Independent Living Center	1,605	-
Office of Justice Program	22,079	-
Protection and Advocacy for Developmentally Disabled	17,640	-
Protection and Advocacy for Mentally Ill	6,300	-
Schenectady Community Action Plan	28,887	24,194
St. Regis Mohawk Indian Tribe	945	797
State of New York	291,783	829,895
Nutrition Consortium	58,510	34,221
NYS Division of Criminal Justice	17,071	-
United States Department of Housing and Urban Development	49,709	18,157
United States Department of Justice	-	84,758
United Way	-	2,195
WAIT House	36,058	10,525
	$ 909,694	$ 1,204,406

4. PROMISES TO GIVE

At December 31, 2010 and 2009, the Society had $194,542 and $186,177, 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 $9,727 and $9,309 at December 31, 2010 and 2009, respectively, has been provided based on historical experience and management's analysis of specific promises made and is reflected in the above amounts.

5. PROPERTY

Land, building and equipment at December 31, 2010 and 2009 consist of the following:

	2010	2009
Land	$ 20,000	$ 20,000
Building	551,554	551,554
Building Improvements	359,306	274,914
Equipment, Furniture and Fixtures	467,637	631,877
Law Library	42,073	42,073
Total at Cost	1,440,570	1,520,418
Less: Accumulated Depreciation	(690,990)	(791,966)
Total Property, Net	$ 749,580	$ 728,452

The Society had $113,544 and $103,428 in additions for the year ended December 31, 2010 and 2009, respectively, of which $19,932 and $85,082 in 2010 and 2009, respectively, were purchased with monies provided by LSC. The Society had $986 and $0 in net loss from disposals for the years ended December 31, 2010 and 2009, respectively, of which $745 and $0 in 2010 and 2009, respectively, were originally purchased with monies provided by LSC. The net book value of the LSC equipment is $166,150 and $170,382 at December 31, 2010 and 2009, respectively. Total depreciation expense was $91,431 and $92,571 for the year ended December 31, 2010 and 2009, respectively.

6. LINE OF CREDIT

The Society has a $300,000 demand line of credit available with a bank, of which there were no outstanding drawings at December 31, 2010 and 2009, respectively. The line of credit expired on September 2, 2010 (renewed through September 2, 2011), and bears interest at 3.25% at December 31, 2010.

7. LONG-TERM DEBT

Long-term debt at December 31, 2010 and 2009 consists of the following:

	2010	2009
Mortgage payable to private party in monthly installments of $2,075 with interest at 7.0%, collateralized by real estate.	$ 42,837	$ 63,992
Mortgage payable to bank in monthly installments of $1,121 with interest at 8.41%, collateralized by real estate.	-	100,728
Mortgage payable to bank in monthly installments of $1,008 with interest at 7.0%, collateralized by real estate.	90,977	96,305
Total	133,814	261,025
Less: Current Portion	(28,890)	(32,053)
	$ 104,924	$ 228,972

Current maturities of long-term debt are as follows:

2011	$ 28,890
2012	26,551
2013	6,861
2014	7,357
2015	7,889
Thereafter	56,266
	$ 133,814

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, 2010 and 2009:

8. NET ASSETS (CONTINUED)

	2010	2009
Unrestricted Net Assets (Accumulated Deficit):		
Property, Net of Debt	$ 437,214	$ 290,005
Fund Raising	284,134	411,345
Other	(54,953)	(24,135)
Total Unrestricted Net Assets	666,395	677,215
Temporarily Restricted Net Assets:		
Fund Raising - Endowment Fund	55,939	32,310
Legal Services Corporation - Cash	154,716	125,379
Legal Services Corporation - Property	166,150	170,382
Department of Criminal Justice Service - Property	12,402	7,040
Interest on Lawyers Account - Cash	690,387	753,269
Total Temporarily Restricted Net Assets	1,079,594	1,088,380
Total Net Assets	$ 1,745,989	$ 1,765,595

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. Each lease has been renewed on a month-to-month basis until terms of a long-term lease can be negotiated. Total rent expense was $68,814 for each of the years ended December 31, 2010 and 2009.

The Society has two noncancellable operating lease agreements for rental of office photocopiers in Canton and Plattsburgh expiring December 2010. In May 2010 the Society renewed a lease for three photocopiers for an aggregate monthly rent of $409 expiring in 2015. Total rent expense was $5,000 for the years ended December 31, 2010 and 2009.

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

2011	$ 4,908
2012	4,908
2013	4,908
2014	4,908
2015	2,045
	$ 21,677

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 $185,916 and $99,556 contributed for the years ended December 31, 2010 and 2009, respectively, which represents a 8% contribution.

11. OTHER CONTINGENCIES

At various times during 2010 and 2009, 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, 2010

	Legal Services 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	$ 1,547,165	$ 1,311,281	$ 559,239	$ 978,647	$ 318,481	$ 147,109	$ 61,175	$ 111,197	$ 330,102	$ -	$ 4,000	$ -	$ 5,368,396
Contributions, Fundraising and Donated Services	-	-	-	-	-	-	-	-	-	-	-	223,553	223,553
Interest Income	609	-	-	-	-	-	-	184	-	-	-	989	1,782
Miscellaneous	1,070	-	-	-	-	-	-	-	-	-	2,508	2,987	6,565
Total Support and Revenue	1,548,844	1,311,281	559,239	978,647	318,481	147,109	61,175	111,381	330,102	-	6,508	227,529	5,600,296
Expenses													
Salaries and Wages													
Lawyers	228,573	823,153	522,590	143,147	46,585	130,938	59,477	94,878	137,928	-	35,964	12,121	2,235,354
Other Staff	129,740	66,972	36,942	64,077	20,853	4,360	4,000	2,668	6,596	-	204,660	63,556	604,425
Paralegals	143,087	99,967	59,361	56,381	18,348	-	8,069	279	102,132	-	285	890	488,799
Employee Benefits	161,271	318,455	199,062	126,477	27,592	43,518	23,012	31,465	79,335	-	77,486	24,627	1,112,299
Contract Services - Clients	-	283,164	-	-	-	18,041	-	28,784	-	-	-	560	330,549
Contract Services - Program	16,185	37,026	13,403	8,724	2,280	3,149	1,818	3,160	7,799	-	6,756	11,326	112,286
Audit and Accounting	3,257	6,644	3,453	1,718	559	811	436	642	1,864	-	1,341	426	21,151
Legal and Professional Fees	-	-	-	-	-	-	-	-	-	-	368	-	368
Travel	4,816	22,282	7,656	2,368	696	7,347	2,052	2,398	8,960	-	2,083	1,686	62,344
Training	6,706	5,222	2,821	4,151	1,351	2,005	343	290	855	-	580	219	24,543
Occupancy	18,969	38,701	20,113	10,009	3,257	4,726	2,538	3,742	10,857	-	7,812	2,483	123,207
Repairs and Maintenance	2,790	5,691	2,958	1,473	479	695	373	550	1,596	-	1,149	365	18,119
Office Expense	17,548	27,575	14,331	7,241	2,321	3,930	2,102	4,252	8,891	-	5,567	8,185	101,943
Telephone	5,306	10,881	5,656	2,814	916	1,349	713	1,052	4,142	-	2,226	1,826	36,881
Library	10,528	21,477	11,162	5,555	1,808	2,622	1,408	2,076	6,329	-	19	35	63,019
Insurance	3,801	7,751	4,028	2,005	652	946	508	749	2,174	-	1,564	497	24,675
Professional Dues	1,126	2,297	1,194	15,940	193	281	151	222	644	-	115	37	22,200
Equipment Rental and Maintenance	5,014	10,102	5,249	2,616	851	1,235	662	977	2,833	-	3,025	691	33,253
Depreciation	-	-	-	-	-	-	-	-	-	91,431	-	-	91,431
Litigation	2,252	1,391	274	563	175	1,481	121	180	1,129	-	-	-	7,566
Interest and Bank Charges	1,014	2,068	1,075	18,032	174	253	136	200	580	-	417	716	24,665
Bad Debts	-	-	-	-	-	-	-	-	-	-	-	21,948	21,948
Other Expense	6,343	2,534	1,317	3,036	213	309	1,586	2,303	28,320	-	561	12,355	58,877
Total Expenses	768,956	1,793,553	912,645	476,327	129,303	227,994	109,534	180,867	412,964	91,431	351,978	164,550	5,619,902
Increase (Decrease) of Support and Revenue Over Expenses before Administrative and Overhead Allocations	779,888	(482,072)	(353,406)	502,320	189,178	(80,885)	(48,359)	(69,486)	(82,862)	(91,431)	(345,470)	62,979	(19,606)
Allocation of Administrative Costs	(51,319)	(119,685)	(60,908)	(31,789)	(8,629)	(15,216)	(7,310)	(12,071)	(27,561)	-	345,470	(10,982)	-
Reallocation of Reimbursed Costs for Matching Purposes	(679,300)	601,757	414,314	(533,413)	(180,549)	105,322	55,669	81,557	186,639	-	-	(51,997)	-
Other Changes in Net Assets - Acquisition of Property	(19,932)	-	-	-	-	(9,221)	-	-	(84,391)	113,544	-	-	-
Other Changes in Net Assets - Debt Payments and Proceeds, Net	-	-	-	-	-	-	-	-	-	127,211	-	(127,211)	-
Net Assets, Beginning of Year	125,379	-	-	753,269	-	-	-		8,175	467,427	-	411,345	1,765,595
Net Assets, End of Year	$ 154,716	$ -	$ -	$ 690,387	$ -	$ -	$ -	$ -	$ -	$ 616,751	$ -	$ 284,134	$ 1,745,989

See independent auditor's report.

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
-- 2012 Program Year Funding --

Attachment D
2010 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, 2010

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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, 2010 and have issued our report thereon dated April 21, 2011. 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

CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 21, 2011

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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, 2010. 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, 2010.

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, 2010 , and have issued our report thereon dated April 21, 2011. 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

CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 21, 2011

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/Pass-through Grantor/Program Title	LSC Recipient Number/ CFDA Number	Pass-Through Entity Identifying Number	Federal Disbursements/ Expenditures
Legal Services Corporation:			
Legal Services Corporation - Albany	09.233010	-	$ 1,547,165
Total Legal Services Corporation			1,547,165
U.S. Department of Housing and Urban Development:			
Housing and Urban Development - Community Development Block Grant	14.218	-	14,106
Housing and Urban Development - Community Development Block Grant (Pass-Through)	14.218	14-1505559	1,041
Housing and Urban Development - Legal Aid Society Homelessness Unit (Pass-Through)	14.235	14-1636163	30,695
Housing and Urban Development - Legal Aid Society Homelessness Unit	14.235	-	89,715
Housing and Urban Development - Homelessness Prevention and Rapid Rehousing Program (Pass-Through) - **ARRA**	14.257	-	260,047
Housing and Urban Development - Homelessness Prevention and Rapid Rehousing Program - **ARRA**	14.257	-	349,138
Total U.S. Department of Housing and Urban Development			744,742
U.S. Department of Justice			
Office of Justice Programs - Domestic Violence Legal Assistance Program	16.524	-	22,079
Passed Through New York State Division of Criminal Justice:			
Violence Against Women STOP Grant - **ARRA**	16.588	-	47,840
Total U.S. Department of Justice			69,919
U.S. Department of Health and Human Services:			
Temporary Assistance for Needy Families	93.558	-	42,971
Nutrition Consortium (Pass-Through)	93.045	22-2954760	161,868
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			324,539
Total Expenditures of Federal Awards			$ 2,686,365

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

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, 2010. 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, 2010.

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, 2010 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:

Project Title	Federal CFDA/ LSC Recipient Numbers	Amount Provided
Office of Justice Programs - Domestic Violence		
Legal Assistance Program Subrecipients:		
Catholic Charities of Schoharie County	16.524	$ 1,250
Catholic Charities of Saratoga, Warren and Washington Counties	16.524	1,292
Domestic Violence Rape Crisis	16.524	1,500
St. Lawrence Valley Renewal House	16.524	1,170
Community Action of Greene County	16.524	1,250
Housing and Urban Development - Homelessness Prevention and Rapid Rehousing Program Subrecipients:		
Catholic Charities of Fulton and Montgomery Counties	14.257	14,132
Catholic Charities of Schoharie County	14.257	14,582
		$ 35,176

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	X no
Significant deficiency(ies) disclosed?	____ yes	X no
Significant deficiency(ies) reported as material weakness(es)?	____ yes	X no
Material noncompliance disclosed?	____ yes	X no

FEDERAL AWARDS

Internal control over major programs:		
Significant deficiency(ies) disclosed?	____ yes	X no
Significant deficiency(ies) reported as material weakness(es)?	____ yes	X no
Any known questioned costs reported?	____ yes	X 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

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM OR CLUSTER
09.233010	Legal Services Corporation
14.257	Homelessness Prevention and Rapid Rehousing Program - ARRA

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

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

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings or matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or matters were reported.