

R E P O R T

SOUTHEAST LOUISIANA
LEGAL SERVICES CORPORATION

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019 AND 2018

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

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DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

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September 29, 2020

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Board of Directors of the
Southeast Louisiana Legal Services Corporation

Report on the Financial Statements

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Paul M. Novak, CPA, AVB, CVA
Wesley D. Wade, CPA

We have audited the accompanying financial statements of Southeast Louisiana Legal Services Corporation (the Corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

Management's Responsibility for the Financial Statements

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

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Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Louisiana Legal Services Corporation as of December 31, 2019 and December 31, 2018, 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.

Report on Supplementary Information

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of Southeast Louisiana Legal Services Corporation as a whole. The accompanying supplementary information, as listed in the index to report, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020, on our consideration of Southeast Louisiana Legal Services Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Louisiana Legal Services Corporation's internal control over financial reporting and compliance.

Duplantier, Sharpner, Hogan and Gruber, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 978,563	\$ 680,039
Cash in escrow - client deposits	34,056	36,710
Certificates of deposit	54,917	54,917
Grants and other receivables	1,422,769	668,779
Prepaid expenses and deposits	52,700	45,205
Total current assets	<u>2,543,005</u>	<u>1,485,650</u>
PROPERTY AND EQUIPMENT - NET	<u>515,574</u>	<u>526,222</u>
TOTAL ASSETS	<u>\$ 3,058,579</u>	<u>\$ 2,011,872</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 137,667	\$ 100,173
Accrued taxes and expenses	246,422	234,183
Refundable advances	684,470	6,000
Current maturities of long-term debt	57,074	49,538
Client escrow funds	34,056	36,710
Total current liabilities	<u>1,159,689</u>	<u>426,604</u>
LONG-TERM LIABILITIES:		
Long-term debt, non-current portion	57,357	114,629
Compensated absences	280,298	283,673
Total long-term liabilities	<u>337,655</u>	<u>398,302</u>
Total liabilities	<u>1,497,344</u>	<u>824,906</u>
NET ASSETS:		
Without donor restrictions	966,922	427,256
With donor restrictions:		
Other	151,429	355,914
Investment in fixed assets	442,884	403,796
Total net assets	<u>1,561,235</u>	<u>1,186,966</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,058,579</u>	<u>\$ 2,011,872</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Grants and fees	\$ -	\$ 7,606,811	\$ 7,606,811
Interest	-	1,343	1,343
Donations	107,033	-	107,033
Other	3,450	-	3,450
Net assets released from donor restrictions	<u>7,773,551</u>	<u>(7,773,551)</u>	<u>-</u>
Total revenue and support	<u>7,884,034</u>	<u>(165,397)</u>	<u>7,718,637</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	3,641,272	-	3,641,272
Salaries - non-lawyers	1,149,231	-	1,149,231
Fringe benefits	<u>1,312,568</u>	<u>-</u>	<u>1,312,568</u>
Total personnel expenses	6,103,071	-	6,103,071
Contract services	319,472	-	319,472
Travel and training	122,031	-	122,031
Space costs	361,844	-	361,844
Supplies	90,976	-	90,976
Equipment	32,967	-	32,967
Depreciation	20,708	-	20,708
Litigation	32,606	-	32,606
Other	<u>260,693</u>	<u>-</u>	<u>260,693</u>
Total expenses	<u>7,344,368</u>	<u>-</u>	<u>7,344,368</u>
CHANGE IN NET ASSETS	539,666	(165,397)	374,269
NET ASSETS AT BEGINNING OF YEAR	<u>427,256</u>	<u>759,710</u>	<u>1,186,966</u>
NET ASSETS AT END OF YEAR	<u>\$ 966,922</u>	<u>\$ 594,313</u>	<u>\$ 1,561,235</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Grants and fees	\$ -	\$ 7,022,422	\$ 7,022,422
Interest	-	6,299	6,299
Donations	74,970	-	74,970
Other	16,410	-	16,410
Net assets released from donor restrictions	7,284,231	(7,284,231)	-
Total revenue and support	<u>7,375,611</u>	<u>(255,510)</u>	<u>7,120,101</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	3,583,605	-	3,583,605
Salaries - non-lawyers	1,088,005	-	1,088,005
Fringe benefits	1,396,191	-	1,396,191
Total personnel expenses	<u>6,067,801</u>	-	<u>6,067,801</u>
Contract services	390,594	-	390,594
Travel and training	108,882	-	108,882
Space costs	347,072	-	347,072
Supplies	99,272	-	99,272
Equipment	16,804	-	16,804
Depreciation	21,030	-	21,030
Litigation	53,491	-	53,491
Other	291,319	-	291,319
Total expenses	<u>7,396,265</u>	-	<u>7,396,265</u>
CHANGE IN NET ASSETS	(20,654)	(255,510)	(276,164)
NET ASSETS AT BEGINNING OF YEAR	<u>447,910</u>	<u>1,015,220</u>	<u>1,463,130</u>
NET ASSETS AT END OF YEAR	<u>\$ 427,256</u>	<u>\$ 759,710</u>	<u>\$ 1,186,966</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Legal Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES:				
Personnel:				
Salaries - lawyers	\$ 3,443,026	\$ 184,313	\$ 13,933	\$ 3,641,272
Salaries - non-lawyers	1,068,581	80,650	-	1,149,231
Fringe benefits	<u>1,236,152</u>	<u>72,598</u>	<u>3,818</u>	<u>1,312,568</u>
Total personnel expenses	5,747,759	337,561	17,751	6,103,071
Contract services	318,424	996	52	319,472
Travel and training	114,926	6,750	355	122,031
Space costs	340,778	20,014	1,052	361,844
Supplies	85,679	5,032	265	90,976
Equipment	31,048	1,823	96	32,967
Depreciation	19,503	1,145	60	20,708
Litigation	32,606	-	-	32,606
Other	<u>252,024</u>	<u>8,236</u>	<u>433</u>	<u>260,693</u>
Total expenses	<u>\$ 6,942,747</u>	<u>\$ 381,557</u>	<u>\$ 20,064</u>	<u>\$ 7,344,368</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Legal Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES:				
Personnel:				
Salaries - lawyers	\$ 3,382,801	\$ 185,443	\$ 15,361	\$ 3,583,605
Salaries - non-lawyers	1,007,355	80,650	-	1,088,005
Fringe benefits	<u>1,311,589</u>	<u>79,985</u>	<u>4,617</u>	<u>1,396,191</u>
Total personnel expenses	5,701,745	346,078	19,978	6,067,801
Contract services	389,532	1,004	58	390,594
Travel and training	102,322	6,202	358	108,882
Space costs	327,061	18,919	1,092	347,072
Supplies	93,291	5,655	326	99,272
Equipment	15,792	957	55	16,804
Depreciation	19,763	1,198	69	21,030
Litigation	53,491	-	-	53,491
Other	<u>280,313</u>	<u>10,405</u>	<u>601</u>	<u>291,319</u>
Total expenses	<u>\$ 6,983,310</u>	<u>\$ 390,418</u>	<u>\$ 22,537</u>	<u>\$ 7,396,265</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 374,269	\$ (276,164)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	20,708	21,030
(Increase) decrease in operating assets:		
Grants and other receivables	(753,990)	(21,601)
Prepaid expenses and deposits	(7,495)	(1,682)
Increase (decrease) in operating liabilities:		
Accounts payable	37,494	(1,335)
Due to Legal Services Corporation	-	(11,713)
Accrued taxes and expenses	12,239	21,571
Refundable advances	678,470	(4,229)
Compensated absences	(3,375)	16,561
Client escrow funds	(2,654)	2,993
Net cash provided (used) by operating activities	<u>355,666</u>	<u>(254,569)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(10,060)	(7,114)
Reinvestment of interest	-	(638)
Net cash used by investing activities	<u>(10,060)</u>	<u>(7,752)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payment of long-term debt	(49,736)	(56,789)
Net cash used by financing activities	<u>(49,736)</u>	<u>(56,789)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	295,870	(319,110)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>716,749</u>	<u>1,035,859</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ <u><u>1,012,619</u></u>	\$ <u><u>716,749</u></u>
Cash paid during the year for interest	\$ <u><u>12,369</u></u>	\$ <u><u>12,875</u></u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

Southeast Louisiana Legal Services Corporation (the Corporation) is a non-profit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in a twenty-two parish area: Tangipahoa, Livingston, St. Helena, St. Tammany, Washington, Orleans, Jefferson, St. Bernard, St. Charles, Plaquemines, Ascension, Assumption, East Baton Rouge, West Baton Rouge, East Feliciana, Iberville, Lafourche, Pointe Coupee, St. James, St. John the Baptist, Terrebonne, and West Feliciana Parishes.

The principal accounting policies applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting:

The financial statements of Southeast Louisiana Legal Services Corporation, a non-profit corporation, are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and the requirements of the Legal Services Corporation Accounting Guide.

Basis of Presentation:

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

- a) *Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.
- b) *Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents:

For financial statement purposes, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less.

Client Trust Escrow Funds:

Funds received from clients are deposited into a separate cash account and restricted for the payment of expenses in connection with related litigation.

Property and Equipment:

Property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of receipt. Individual items of \$5,000 or more are capitalized. Depreciation of building and improvements and furniture and equipment is provided over the estimated useful lives of the respective assets (five to thirty years) using the straight-line method. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities.

Property and equipment acquired with Legal Services Corporation funds are considered to be owned by Southeast Louisiana Legal Services Corporation while used in the program or future authorized programs. However, Legal Services Corporation has a reversionary interest in those assets and has a right to determine the use of any proceeds from the sale of assets purchased with its funds.

Revenue and Support:

The Corporation receives as revenue and support grant revenues which management has determined are contributions. The Corporation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Once the condition is met, contributions are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Attorney's Fees:

Attorney's fees received are recorded during the accounting period in which the money from the fee award is actually received by the Corporation and is expended for any purpose permitted by the Legal Services Corporation Act.

Allocation of Expenses:

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses which are easily and directly associated with legal services, management and general, or fundraising are charged directly to that functional area. Certain other expenses have been allocated to legal services, management and general, or fundraising based on time devoted by the Corporation staff.

Program services consists of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance. Supporting services consists of fundraising, marketing and communications, and management and general expenses.

Income Taxes:

Southeast Louisiana Legal Services Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements. However, if the Corporation were to engage in activities unrelated to the purpose for which it was created, taxable income could result. In management's judgment, the Corporation does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

Estimates:

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

Advertising:

Southeast Louisiana Legal Services Corporation's policy is to expense all advertising fees as incurred. Advertising expense for the years ended December 31, 2019 and 2018, was \$2,470 and \$1,995, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Pronouncements:

Beginning January 1, 2019, the Corporation adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The adoption of the Update has resulted in the Corporation including the cash in escrow – client deposits and the change in client escrow funds liability on the statement of cash flows for the years ended December 31, 2019 and 2018. Net assets are unchanged due to the adoption of this Update.

Beginning January 1, 2019, the Corporation adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Update clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. A footnote on the change in accounting principle has also been added to the financial statements (Note 19).

Beginning January 1, 2018, the Corporation adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*. This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is a change in the net asset classes used in the financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity and availability of financial assets has also been added to the financial statements (Note 17).

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. CASH AND CASH EQUIVALENTS:

At December 31, 2019, the carrying amount of the Corporation's cash deposits was \$978,563 and the bank balance was \$1,016,788. At December 31, 2018, the carrying amount of the Corporation's cash deposits was \$680,039 and the bank balance was \$707,114. Balances for 2019 and 2018 were insured by federal depository insurance or pledged collateral held in joint custody.

3. CLIENT DEPOSITS:

Southeast Louisiana Legal Services Corporation has two client trust accounts belonging to third persons. The accounts consist of money collected from the Corporation's clients to pay litigation expenses such as court costs, money received from clients to settle their case, and money received from third parties on behalf of clients. These deposits are segregated from the Corporation's funds. At December 31, 2019 and 2018, the carrying amount of the Southeast Louisiana Legal Services Corporation's client deposits was \$34,056 and \$36,710, respectively. At December 31, 2019 and 2018, the bank balances of Southeast Louisiana Legal Services Corporation's client deposits were \$43,938 and \$45,607, respectively.

4. FAIR VALUE MEASUREMENT:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the method and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Fair Value Measurement of Reporting Date	
		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit			
December 31, 2019	\$ -	\$ 54,917	\$ -
December 31, 2018	\$ -	\$ 54,917	\$ -

Certificates of deposit carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

5. PROPERTY AND EQUIPMENT:

The following is a summary of property and equipment, net of accumulated depreciation, for the year ended December 31, 2019:

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19
Capital assets not being depreciated:				
Land	\$ 59,200	\$ -	\$ -	\$ 59,200
Total capital assets not being depreciated	<u>59,200</u>	<u>-</u>	<u>-</u>	<u>59,200</u>
Capital assets being depreciated:				
Building	547,982	-	-	547,982
Leasehold improvement	39,650	10,060	-	49,710
Equipment	142,268	-	(100,374)	41,894
Total capital assets being depreciated	<u>729,900</u>	<u>10,060</u>	<u>(100,374)</u>	<u>639,586</u>
Less: accumulated depreciation	<u>(262,878)</u>	<u>(20,708)</u>	<u>100,374</u>	<u>(183,212)</u>
Total capital assets, net	<u>\$ 526,222</u>	<u>\$ (10,648)</u>	<u>\$ -</u>	<u>\$ 515,574</u>

The following is a summary of property and equipment, net of accumulated depreciation, for the year ended December 31, 2018:

	Balance 1/1/18	Additions	Deletions	Balance 12/31/18
Capital assets not being depreciated:				
Land	\$ 59,200	\$ -	\$ -	\$ 59,200
Total capital assets not being depreciated	<u>59,200</u>	<u>-</u>	<u>-</u>	<u>59,200</u>
Capital assets being depreciated:				
Building	547,982	-	-	547,982
Leasehold improvement	39,650	-	-	39,650
Equipment	135,154	7,114	-	142,268
Total capital assets being depreciated	<u>722,786</u>	<u>7,114</u>	<u>-</u>	<u>729,900</u>
Less: accumulated depreciation	<u>(241,848)</u>	<u>(21,030)</u>	<u>-</u>	<u>(262,878)</u>
Total capital assets, net	<u>\$ 540,138</u>	<u>\$ (13,916)</u>	<u>\$ -</u>	<u>\$ 526,222</u>

Depreciation expense for the years ended December 31, 2019 and 2018, was \$20,708 and \$21,030, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

6. LEASE COMMITMENTS:

Southeast Louisiana Legal Services Corporation has operating lease agreements for the rental of office space for its operations. Rental expense charged to operations totaled \$288,802 and \$268,489 for the years ended December 31, 2019 and 2018, respectively. The operating lease for the Corporation's Hammond, Louisiana, office expired on November 31, 2019. The Corporation's Hammond, Louisiana office entered into a new five-year operating lease effective December 1, 2019. The operating lease for the Corporation's Covington, Louisiana, office expires on January 31, 2021. The operating lease for the Corporation's Harvey, Louisiana, office expired on November 30, 2019, and was extended until May 31, 2020. The operating lease for the Corporation's Houma, Louisiana, office expired on December 31, 2018, and was automatically renewed for an additional five years with a 10% increase in net rent. The operating lease for the Corporation's New Orleans, Louisiana, office expired March 31, 2018. The Corporation's New Orleans, Louisiana office entered into a new five-year operating lease effective April 1, 2018. Future minimum lease payments are as follows for the years ending December 31:

2020	\$ 274,346
2021	239,296
2022	238,542
2023	195,155
2024	40,821
	<u>\$ 988,160</u>

7. LONG-TERM DEBT:

On October 26, 2011, Southeast Louisiana Legal Services Corporation obtained long-term financing in the amount of \$480,000 for an office building in Baton Rouge, Louisiana. The loan accrues interest at the current prime index rate plus 2%. Under no circumstances will the interest rate be less than 4.50%. The rate at December 31, 2019 and 2018, was 5.50% and 5.50%, respectively. The note payable is secured by the building and land costing \$607,182. At December 31, 2019 and 2018, the balance on the loan was \$114,431 and \$164,167 respectively. Future mortgage payments are as follows for the years ending December 31:

2020	\$ 57,074
2021	57,357
	<u>\$ 114,431</u>

Interest expense relating to this loan was \$12,369 and \$12,875 for the years ended December 31, 2019 and 2018, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

8. COMPENSATED ABSENCES:

An employee commences to earn and accrue annual leave with pay from the first day of employment. Accrual occurs at rates based on the length of employment. An employee may carry up to one year of leave over from one year to the next. Employees with less than five years of service are limited to 150 hours of accrued leave. Employees with five to ten years of service are limited to 187.5 hours of accrued leave. Employees with more than ten years of service are limited to 225 hours of accrued leave. If accrued annual leave above 150 hours, 187.5 hours, or 225 hours, respectively, is not taken by the end of the calendar year, the amounts exceeding the limit will be forfeited. The Corporation has accrued \$280,298 and \$283,673 in compensated absences at December 31, 2019 and 2018, respectively.

9. REVENUE AND SUPPORT:

Prior to January 1, 2019, the Corporation recognized grants as support on a straight-line basis over the grant period. Any restricted grant unexpended at the end of the accounting period was recorded as net assets with donor restrictions.

Beginning January 1, 2019, the Corporation implemented FASB ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. As a result, the Corporation's revenue that is derived from cost-reimbursable federal and state contracts and grants, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when the Corporation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

During the year ended December 31, 2019, the Corporation received conditional grant funds from various grantors, including Legal Services Corporation and Louisiana Bar Foundation. The conditional grants are reported as revenue when the performance is met, which includes when qualifying expenses are incurred. Any conditional grant funds received in which the performance has not been met is reported as refundable advances in the statement of financial position. In accordance with normal Legal Services Corporation and Louisiana Bar Foundation policies, the Corporation may use unspent funds in future periods as long as expenses incurred are in compliance with specified terms of the grant.

The Corporation receives "one-time" grants from Legal Services Corporation to support a specific event or project. These "one-time" grants are infusions for the Legal Service Corporation's annualized grant and are recorded as revenue as eligible costs are incurred during the period specified in the grant. Until eligible expenses are incurred, "one-time" grants are recorded as refundable advances on the Corporation's statement of financial position. When a "one-time" grant or contract expires, the unexpended amount is to be returned to the Legal Services Corporation. As of December 31, 2019 and 2018, the Corporation had refundable advances of \$3,788 and \$6,000, respectively, related to its "one-time" grants.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

9. REVENUE AND SUPPORT: (Continued)

The Corporation reported refundable advances as of December 31, 2019, from the following grants:

<u>Grant</u>	<u>Grant Number/Description</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>2019</u>
LSC - Basic Field Grant	Service Area - LA-13	\$ 3,595,109	1/1/19 - 12/31/19	\$ 506,803
LSC - TIG	17026	70,319	10/1/17 - 6/30/20	3,788
LA Bar Foundation	Child Welfare Fellowship			5,631
LA Bar Foundation - IOLTA	2019-002 LSC	1,376,656	7/1/19 - 6/30/20	21,541
LA Bar Foundation	Access to Justice Fund	22,050	5/1/19 - 5/1/20	22,050
LA Bar Foundation	SRL 2018-056	4,500	9/6/18 - 9/6/19	4,500
American Bar Association	Fellowship - AR	134,564	9/3/19 - 9/2/21	11,255
Baptist Community Ministries	9600018	21,923	10/1/18 - 3/31/19	1,096
City of N. O. - Nola Re-entry	K18-1209	35,000	9/30/19 - 9/29/20	14,274
Gillis Long	Social Justice Fellowship	25,000	10/23/19 - 10/22/20	23,211
Greater N. O. Foundation	Healthy Justice Partnership - Gert Town	10,000	9/1/19 - 8/31/20	10,000
The Hope Center	Legal Support for Veterans in SSVF	30,000	10/1/18 - 9/30/19	17,944
OLAP - Nursing Home	Social Services Contract	60,000	7/1/19 - 6/30/20	1,719
Tulane Law School	Lutz Fellowship - RB	24,000	11/21/19 - 11/20/20	2,404
Tulane Law School	Lutz Fellowship - NP	24,000	10/4/19 - 10/6/20	2,955
Start Corporation	Legal Services for Veterans in SSVF	20,000	10/1/19 - 9/30/20	5,000
US DOJ - VAWA	2015-WL-AX-0053	999,249	10/1/15 - 9/30/20	24,658
Wells Fargo	Foreclosure Prevention Project	7,500		5,641
				\$ 684,470

The Corporation reported refundable advances as of December 31, 2018, from the following grants:

<u>Grant</u>	<u>Grant Number/Description</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>2018</u>
LSC - Vieth LSC Leadership Grant	Service Area - LA-13	\$ 6,000	11/1/18 - 10/31/19	\$ 6,000
				\$ 6,000

The Corporation recognized greater than 10% of its revenue from each of the following grantors in the years ended December 31:

	2019	2018
Legal Services Corporation	42%	46%
Louisiana Bar Foundation	29%	26%

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. PRIVATE ATTORNEY INVOLVEMENT:

One of the general grant conditions of the Legal Services Corporation grant is that the recipient shall allocate a substantial amount of its annualized basic field award to provide the opportunity for the involvement of private attorneys in the delivery of legal assistance to eligible clients. A substantial amount has been defined as twelve and one-half percent (12.5%) of the recipient's annualized basic field grant award. The Corporation is in compliance with this grant condition.

A schedule of private attorney involvement expenses across all funds for the years ended December 31, 2019 and 2018, is listed below:

	<u>2019</u>	<u>2018</u>
Personnel:		
Salaries - lawyers	\$ 327,577	\$ 377,131
Salaries - non-lawyers	127,382	128,523
Fringe benefits	125,538	151,859
Contract services	157,039	161,185
Travel and training	11,590	11,786
Space costs	35,320	35,951
Supplies	8,640	10,746
Equipment	3,131	2,589
Litigation	3,097	5,790
Other	<u>22,309</u>	<u>27,232</u>
Total Private Attorney Involvement (PAI) Expenses	<u>\$ 821,623</u>	<u>\$ 912,792</u>

11. BOARD OF DIRECTORS COMPENSATION:

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member during the years ended December 31, 2019 and 2018.

12. SUBGRANT AGREEMENTS – LSC FUNDS:

The Corporation entered into several subgrant agreements with the Pro Bono Project and the Baton Rouge Bar Foundation using funding received from Legal Services Corporation. The agreement with the Pro Bono Project is to provide attorney representation - pro bono. The contract period for the Pro Bono Project for the year ended December 31, 2019, was for the period January 1, 2019 through December 31, 2019. The contract period for the Pro Bono Project for the year ended December 31, 2018, was for the period February 1, 2018 through December 31, 2018. The subgrant agreements, approved by Legal Services Corporation, totaled \$63,000 for each of the years ended December 31, 2019 and 2018.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

12. SUBGRANT AGREEMENTS – LSC FUNDS: (Continued)

The subgrant agreement with the Baton Rouge Bar Foundation is to provide attorney representation - pro bono. For the year ended December 31, 2019, the agreement was for the period January 1, 2019 through December 31, 2019. The subgrant agreement for the year ended December 31, 2018, was for the period February 1, 2018 through December 31, 2018. The subgrant agreements approved by Legal Services Corporation, totaled \$52,000 for each of the years ended December 31, 2019 and 2018. The expenditures for all subgrant agreements were used to satisfy part of the private attorney involvement condition of the Legal Services Corporation basic field grant.

13. DEFERRED COMPENSATION PLAN:

Southeast Louisiana Legal Services Corporation maintains a deferred compensation plan pursuant to Section 403(b) of the Internal Revenue Code. Employees are eligible to participate in the plan upon employment, but the employer's contribution is not allocated to the employee participant accounts until after one year of service. Full vesting of benefits occurs after four years of employment. Covered employees may voluntarily contribute up to the IRS limits: \$19,000 (\$25,000 over 50 years of age) and \$18,500 (\$24,500 over 50 years of age) for the years ended December 31, 2019 and 2018, respectively. The 2019 and 2018 employer contribution rates remain unchanged from the prior years. The employer contribution for the years ended December 31, 2019 and 2018, totaled \$117,583 and \$92,338, respectively.

14. FEDERAL AND STATE GRANTS:

The Corporation's participation in federal and state grant programs is governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Corporation has not complied with the rules and regulations governing the grants, refund of monies received may be required and the collectability of any related receivables at December 31, 2019 and 2018, may be impaired.

In the opinion of the management of the Corporation, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

15. LIMITATION OF FEDERAL CARRYOVER FUNDS:

The Legal Services Corporation limits the federal Legal Services Corporation fund balance carryover to 10% of the annualized grant award. Any excess carryover must be returned to the Legal Services Corporation. This percentage may be increased to 25% if a waiver of the restriction is submitted and approved.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

15. LIMITATION OF FEDERAL CARRYOVER FUNDS: (Continued)

The Corporation has a carryover of 14.08% for the year ended December 31, 2019. A waiver will be submitted to the Legal Services Corporation related to the December 31, 2019, excess carryover of approximately \$506,803, of which \$146,813 exceeded the allowable 10% carryover. The Corporation did not have excess carryover funds for the year ended December 31, 2018.

16. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Albert and Elaine Borchard Foundation - Fellow	\$ -	\$ 12,886
American College of Bankruptcy Foundation	6,419	10,000
Baptist Community Ministries	5,954	25,947
Bayou Region GNOF	6,013	9,429
CAAH - One Stop BR	-	4,167
Clean Slate - American College of Trial Lawyers	5,900	20,000
Gillis Long Social Justice Fellow	-	11,954
Greater New Orleans Flood Proof	3,719	9,019
Greater New Orleans Foundation	4,994	4,994
Greater New Orleans Foundation - Title Clearing	2,025	3,179
Irene W. and C.B. Pennington Foundation	5,068	5,409
Louisiana Bar Foundation - Access to Justice Fund	10,000	25,000
Louisiana Bar Foundation - Child Welfare Fellowship 2018-2019	-	7,084
Louisiana Bar Foundation - CPP Houma	2,203	2,203
Louisiana Bar Foundation - CPP Northshore	4,483	4,483
Louisiana Bar Foundation - CPP Pro Bono	737	2,400
Louisiana Bar Foundation - CPP Southshore	3,173	3,173
Louisiana Bar Foundation - Fellowship 2018-2019	-	8,217
Louisiana Bar Foundation - IOLTA	-	44,294
Louisiana Bar Foundation - JSCPP Veteran Clinic	1,930	2,294
Louisiana Bar Foundation - SRL Terrebonne 2018-056	350	3,215
New Orleans Artists Against Hunger and Homelessness, Inc.	-	313
New Orleans Bar	-	25,000
Start Corporation	42,154	49,509
State of Louisiana - Road Home Grant	36,388	36,388
The Hope Center, Inc	-	6,646
Tulane Law School - Lutz Fellow JW	4,375	4,375
Tulane Law School - Lutz Fellow KK	-	3,042
Tulane Law School - Lutz Fellow LC	-	5,750
Tulane Law School - Lutz Fellow MF	5,544	5,544
Total	<u>151,429</u>	<u>355,914</u>
Investment in Fixed Assets	442,884	403,796
Total With Donor Restrictions	<u><u>\$ 594,313</u></u>	<u><u>\$ 759,710</u></u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Corporation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year:

	2019	2018
Financial assets, at year-end:		
Cash and cash equivalents	\$ 978,563	\$ 680,039
Certificates of deposit	54,917	54,917
Grants and other receivables	1,422,769	668,779
Cash in escrow - client deposits	34,056	36,710
Total financial assets at year-end	2,490,305	1,440,445
Less contractual or donor-imposed restrictions:		
Client escrow funds	(34,056)	(36,710)
Refundable advances for legal services (Legal Service Corporation)	(510,591)	(6,000)
Refundable advances for legal services (Louisiana Bar Foundation)	(53,722)	-
Refundable advances for legal services (All Other Grants)	(120,157)	-
Donor-restricted for legal services (Louisiana Bar Foundation)	(22,876)	(102,363)
Donor-restricted for legal services (All Other Grants)	(128,553)	(253,551)
Total contractual or donor-imposed restrictions	(869,955)	(398,624)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,620,350	\$ 1,041,821

18. NET ASSETS DEFICIT BALANCE:

As of December 31, 2019, Legal Services Corporation TIG Grant #17027, Louisiana Bar Foundation – Child in Need of Care, United Way – Capital Area, VOCA Jefferson 3830, and United Way – St. Charles have deficit net assets without donor restrictions balances in the amounts of \$4,877, \$57,457, \$3,194, \$41, and \$23,969 respectively. As of December 31, 2018, Legal Services Corporation TIG Grant #17026, Legal Services Corporation TIG Grant #17027, Legal Services Corporation Pro Bono Transformation Grant #17038, Louisiana Bar Foundation – Child in Need of Care, and United Way – St. Charles have deficit net assets without restrictions balances in the amounts of \$3,261, \$7,822, \$56,481, \$42,628, and \$21,711 respectively. The Corporation intends to cover these deficit balances with future operating revenues.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

19. CHANGE IN ACCOUNTING PRINCIPLES:

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis as of January 1, 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2019. In comparison to the year ended December 31, 2018, the effect of adopting the new accounting principle was an increase in refundable advances by \$680,682 and a decrease in grant revenue by \$680,682 in the year ended December 31, 2019.

20. ECONOMIC DEPENDENCY:

As of December 31, 2019 and 2018, approximately 71% and 72%, respectively, of the Corporation's funding is provided through grants administered by the Legal Services Corporation and the Louisiana Bar Foundation. If significant budget cuts are incurred by either of the aforementioned grantors, the amount of funds received by the Corporation could be significantly reduced and adversely affect the Corporation's operations. Management is not aware of any actions that will adversely affect the amount of funding to be received by the Corporation in the next fiscal year.

21. SUBSEQUENT EVENTS:

A strain of coronavirus was reported in Louisiana beginning in March 2020 and continues to spread throughout the United States of America. The COVID-19 coronavirus outbreak has disrupted many types of businesses. While the disruptions are expected to be temporary, there is considerable uncertainty about the duration. The related financial impact and duration cannot be reasonably estimated at this time.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was September 29, 2020.

22. RECLASSIFICATIONS:

Certain 2018 amounts have been reclassified to conform to the 2019 financial statement presentation. Total net assets are unchanged due to these reclassifications.

SUPPLEMENTARY INFORMATION

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO EXECUTIVE DIRECTOR
DECEMBER 31, 2019

Agency Head Name: Laura Tuggle, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 102,000
FICA	7,803
Benefits - insurance	10,955
Benefits - retirement	3,060
Reimbursements	2,207
Travel	4,876
	<u>\$ 130,901</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Legal Services Corporation - LA 13

	Basic <u>Field Grant</u>	Private Attorney <u>Involvement</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Grants and fees	\$ 3,088,306	\$ -	\$ 3,088,306
Interest	1,343	-	1,343
Donations	-	-	-
Other	3,450	-	3,450
Total revenue and support	<u>3,093,099</u>	<u>-</u>	<u>3,093,099</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	723,028	89,937	812,965
Salaries - non-lawyers	802,413	127,382	929,795
Fringe benefits	542,224	107,360	649,584
Total personnel expenses	<u>2,067,665</u>	<u>324,679</u>	<u>2,392,344</u>
Contract services	38,899	119,540	158,439
Travel and training	56,907	11,589	68,496
Space costs	190,718	33,045	223,763
Supplies	35,703	8,640	44,343
Equipment	11,491	3,131	14,622
Depreciation	-	-	-
Litigation	11,779	3,097	14,876
Other	144,278	21,878	166,156
Total expenses	<u>2,557,440</u>	<u>525,599</u>	<u>3,083,039</u>
CHANGE IN NET ASSETS	535,659	(525,599)	10,060
NET ASSETS AT BEGINNING OF YEAR	<u>2,959,949</u>	<u>(2,959,949)</u>	<u>-</u>
INVESTMENT IN FIXED ASSETS	<u>(10,060)</u>	<u>-</u>	<u>(10,060)</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
NET ASSETS - WITH DONOR RESTRICTIONS END OF YEAR	\$ <u>3,485,548</u>	\$ <u>(3,485,548)</u>	\$ <u>-</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Legal Services Corporation				
	Technical Initiative <u>Grant # 17026</u>	Technical Initiative <u>Grant # 17027</u>	Vieth Leadership Grant	Pro Bono Transformation <u>Grant # 17038</u>	Gillis Long <u>Law Center</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 16,212	\$ 15,000	\$ 6,000	\$ 150,309	\$ 85,121
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>16,212</u>	<u>15,000</u>	<u>6,000</u>	<u>150,309</u>	<u>85,121</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	5,543	9,843	-	61,304	-
Salaries - non-lawyers	-	-	-	-	85,121
Fringe benefits	820	1,456	-	17,464	-
Total personnel expenses	<u>6,363</u>	<u>11,299</u>	<u>-</u>	<u>78,768</u>	<u>85,121</u>
Contract services	6,588	-	6,000	-	-
Travel and training	-	-	-	7,142	-
Space costs	-	-	-	-	-
Supplies	-	-	-	1,183	-
Equipment	-	-	-	2,472	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	756	-	4,263	-
Total expenses	<u>12,951</u>	<u>12,055</u>	<u>6,000</u>	<u>93,828</u>	<u>85,121</u>
CHANGE IN NET ASSETS	3,261	2,945	-	56,481	-
NET ASSETS AT BEGINNING OF YEAR	(3,261)	(7,822)	-	(56,481)	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ (4,877)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Gillis Long Social Justice Fellow</u>	<u>Gillis Long Fellow AM</u>	<u>New Orleans Bar</u>	<u>Equal Justice Veterans Legal Corps</u>	<u>Equal Justice America Law Clerks</u>	<u>Whitney/ Hancock Hairston</u>	<u>ABA Fellow - AR</u>	<u>LBF Fellow - MK</u>
\$ -	\$ 1,789	\$ 25,000	\$ 20,390	\$ 5,000	\$ -	\$ 22,495	\$ 15,000
-	-	-	-	-	-	-	-
-	-	-	-	-	25,000	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>1,789</u>	<u>25,000</u>	<u>20,390</u>	<u>5,000</u>	<u>25,000</u>	<u>22,495</u>	<u>15,000</u>
9,022	1,350	29,846	20,190	-	-	20,908	15,000
-	-	-	-	5,000	-	-	-
2,932	439	-	-	-	-	1,587	-
<u>11,954</u>	<u>1,789</u>	<u>29,846</u>	<u>20,190</u>	<u>5,000</u>	<u>-</u>	<u>22,495</u>	<u>15,000</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	200	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>11,954</u>	<u>1,789</u>	<u>29,846</u>	<u>20,390</u>	<u>5,000</u>	<u>-</u>	<u>22,495</u>	<u>15,000</u>
(11,954)	-	(4,846)	-	-	25,000	-	-
11,954	-	25,000	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

	LBF Child Welfare <u>Fellow - NP</u>	LBF Child Welfare Fellowship <u>2018-2019</u>	LBF Fellowship <u>2018-2019</u>	LBF CPP <u>Pro Bono</u>	LBF- Access to <u>Justice Fund</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 9,369	\$ 15,000	\$ 15,000	\$ -	\$ -
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>9,369</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	9,369	22,084	23,217	-	-
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Total personnel expenses	<u>9,369</u>	<u>22,084</u>	<u>23,217</u>	<u>-</u>	<u>-</u>
Contract services	-	-	-	-	15,000
Travel and training	-	-	-	736	-
Space costs	-	-	-	-	-
Supplies	-	-	-	927	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	<u>9,369</u>	<u>22,084</u>	<u>23,217</u>	<u>1,663</u>	<u>15,000</u>
CHANGE IN NET ASSETS	-	(7,084)	(8,217)	(1,663)	(15,000)
NET ASSETS AT BEGINNING OF YEAR	-	7,084	8,217	2,400	25,000
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737</u>	<u>\$ 10,000</u>

LBF - JSCPP Veteran Clinic	Delgado Single Stop	LBF CPP Houma	Louisiana Bar Foundation Community Partnership Panel Grant Southshore	Louisiana Bar Foundation Capital Funds	Louisiana Bar Foundation Community Partnership Panel Grant Northshore	Louisiana Bar Foundation IOLTA	Irene W. and C.B. Pennington Foundation
\$ -	\$ 15,000	\$ -	\$ -	\$ 25,000	\$ -	\$ 1,186,005	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	15,000	-	-	25,000	-	1,186,005	-
-	8,709	-	-	-	-	799,993	257
-	-	-	-	-	-	56,160	-
-	2,830	-	-	-	-	259,147	84
-	11,539	-	-	-	-	1,115,300	341
-	-	-	-	-	-	2,300	-
364	3,461	-	-	-	-	5,052	-
-	-	-	-	-	-	63,600	-
-	-	-	-	-	-	13,100	-
-	-	-	-	-	-	765	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,569	-	30,182	-
364	15,000	-	-	7,569	-	1,230,299	341
(364)	-	-	-	17,431	-	(44,294)	(341)
2,294	-	2,203	3,173	-	4,483	44,294	5,409
-	-	-	-	(17,431)	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,930	\$ -	\$ 2,203	\$ 3,173	\$ -	\$ 4,483	\$ -	\$ 5,068

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

	Wells Fargo	Jefferson Parish ESG	Borchard Fellow	GNOF Flood Proof	Lutz-LC
REVENUE AND SUPPORT:					
Grants and fees	\$ 1,859	\$ 28,970	\$ -	\$ -	\$ 11,500
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>1,859</u>	<u>28,970</u>	<u>-</u>	<u>-</u>	<u>11,500</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	923	22,229	12,886	-	13,019
Salaries - non-lawyers	480	-	-	-	-
Fringe benefits	456	6,741	-	-	4,231
Total personnel expenses	<u>1,859</u>	<u>28,970</u>	<u>12,886</u>	<u>-</u>	<u>17,250</u>
Contract services	-	-	-	5,300	-
Travel and training	-	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	<u>1,859</u>	<u>28,970</u>	<u>12,886</u>	<u>5,300</u>	<u>17,250</u>
CHANGE IN NET ASSETS	-	-	(12,886)	(5,300)	(5,750)
NET ASSETS AT BEGINNING OF YEAR	-	-	12,886	9,019	5,750
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,719</u>	<u>\$ -</u>

<u>Lutz - KK</u>	<u>Lutz - RB</u>	<u>Lutz - NP</u>	<u>Lutz - MF</u>	<u>Lutz - AK</u>	Bayou Region <u>GNOF</u>	SRL 2018-056 <u>Terrebonne</u>	City of New Orleans Nola <u>Reentry</u>
\$ 17,250	\$ 3,596	\$ 3,045	\$ -	\$ 5,750	\$ -	\$ -	\$ 20,726
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>17,250</u>	<u>3,596</u>	<u>3,045</u>	<u>-</u>	<u>5,750</u>	<u>-</u>	<u>-</u>	<u>20,726</u>
12,713	2,714	-	-	5,750	2,977	2,865	15,642
-	-	-	-	-	-	-	-
7,579	882	3,045	-	-	704	-	5,084
<u>20,292</u>	<u>3,596</u>	<u>3,045</u>	<u>-</u>	<u>5,750</u>	<u>3,681</u>	<u>2,865</u>	<u>20,726</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(265)	-	-
-	-	-	-	-	-	-	-
<u>20,292</u>	<u>3,596</u>	<u>3,045</u>	<u>-</u>	<u>5,750</u>	<u>3,416</u>	<u>2,865</u>	<u>20,726</u>
(3,042)	-	-	-	-	(3,416)	(2,865)	-
3,042	-	-	5,544	-	9,429	3,215	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,544</u>	<u>\$ -</u>	<u>\$ 6,013</u>	<u>\$ 350</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Safe</u> <u>VAWA</u>	<u>Haven</u> <u>VAWA</u>	<u>American</u> <u>College of</u> <u>Bankruptcy</u> <u>Foundation</u>	<u>JRI</u> <u>Jefferson</u> <u>Parish</u>	<u>JRI</u> <u>New</u> <u>Orleans</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 69,035	\$ 102,588	\$ -	\$ 11,800	\$ 46,205
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>69,035</u>	<u>102,588</u>	<u>-</u>	<u>11,800</u>	<u>46,205</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	48,684	83,645	2,371	9,255	37,259
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	16,590	17,408	770	2,545	8,946
Total personnel expenses	<u>65,274</u>	<u>101,053</u>	<u>3,141</u>	<u>11,800</u>	<u>46,205</u>
Contract services	-	-	-	-	-
Travel and training	3,761	1,535	440	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	<u>69,035</u>	<u>102,588</u>	<u>3,581</u>	<u>11,800</u>	<u>46,205</u>
CHANGE IN NET ASSETS	-	-	(3,581)	-	-
NET ASSETS AT BEGINNING OF YEAR	-	-	10,000	-	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,419</u>	<u>\$ -</u>	<u>\$ -</u>

New Orleans Council on Aging	Clean Slate	GNOF Gert Town	OLAP Nursing Home	Capital Area Agency on Aging	St. Tammany Council on Aging	Livingston Parish Council on Aging	State of Louisiana Road Home Grant
\$ 6,476	\$ 5,503	\$ -	\$ 28,281	\$ 23,745	\$ 13,824	\$ 4,356	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>6,476</u>	<u>5,503</u>	<u>-</u>	<u>28,281</u>	<u>23,745</u>	<u>13,824</u>	<u>4,356</u>	<u>-</u>
3,487	4,153	-	24,002	12,786	7,445	2,344	-
-	-	-	1,323	-	-	-	-
977	1,350	-	2,590	3,580	2,083	657	-
<u>4,464</u>	<u>5,503</u>	<u>-</u>	<u>27,915</u>	<u>16,366</u>	<u>9,528</u>	<u>3,001</u>	<u>-</u>
-	-	-	-	-	-	-	-
249	-	-	-	913	532	169	-
996	-	-	-	3,653	2,127	670	-
498	-	-	366	1,827	1,063	335	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
269	-	-	-	986	574	181	-
<u>6,476</u>	<u>5,503</u>	<u>-</u>	<u>28,281</u>	<u>23,745</u>	<u>13,824</u>	<u>4,356</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	36,388
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,388</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

	Louisiana Bar Foundation Child in Need of Care	Lafourche Council on Aging	Terrebonne Council on Aging	East Baton Rouge Council on Aging	St. John Council on Aging
REVENUE AND SUPPORT:					
Grants and fees	\$ 711,514	\$ 4,552	\$ 4,614	\$ 7,659	\$ 1,832
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>711,514</u>	<u>4,552</u>	<u>4,614</u>	<u>7,659</u>	<u>1,832</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	484,102	2,451	2,484	4,124	986
Salaries - non-lawyers	45,774	-	-	-	-
Fringe benefits	94,844	687	696	1,155	276
Total personnel expenses	<u>624,720</u>	<u>3,138</u>	<u>3,180</u>	<u>5,279</u>	<u>1,262</u>
Contract services	37,250	-	-	-	-
Travel and training	15,552	175	177	295	70
Space costs	30,000	700	710	1,178	283
Supplies	5,000	350	355	589	141
Equipment	2,721	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	11,100	189	192	318	76
Total expenses	<u>726,343</u>	<u>4,552</u>	<u>4,614</u>	<u>7,659</u>	<u>1,832</u>
CHANGE IN NET ASSETS	(14,829)	-	-	-	-
NET ASSETS AT BEGINNING OF YEAR	(42,628)	-	-	-	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ (57,457)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

St. James Council on <u>Aging</u>	St. Charles Council on <u>Aging</u>	Tulane Law School <u>Lutz Fellow-JW</u>	Plaquemine Council <u>on Aging</u>	Clean Slate Am. College of Trial <u>Lawyers</u>	U.S. Department of Justice Assistance for Victims - <u>Orleans</u>	Baptist Community <u>Mission</u>	Unity of Greater New Orleans Inc. <u>Hopwa</u>
\$ 1,051	\$ 2,022	\$ -	\$ 3,083	\$ -	\$ 227,391	\$ -	\$ 28,380
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,051</u>	<u>2,022</u>	<u>-</u>	<u>3,083</u>	<u>-</u>	<u>227,391</u>	<u>-</u>	<u>28,380</u>
566	1,089	-	1,660	-	112,302	13,356	20,481
-	-	-	-	-	-	-	-
158	304	-	465	-	33,994	4,341	7,899
<u>724</u>	<u>1,393</u>	<u>-</u>	<u>2,125</u>	<u>-</u>	<u>146,296</u>	<u>17,697</u>	<u>28,380</u>
-	-	-	-	-	81,095	-	-
40	78	-	119	-	-	-	-
162	311	-	474	-	-	-	-
81	156	-	237	-	-	1,246	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	14,100	-	1,050	-
44	84	-	128	-	-	-	-
<u>1,051</u>	<u>2,022</u>	<u>-</u>	<u>3,083</u>	<u>14,100</u>	<u>227,391</u>	<u>19,993</u>	<u>28,380</u>
-	-	-	-	(14,100)	-	(19,993)	-
-	-	4,375	-	20,000	-	25,947	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,375</u>	<u>\$ -</u>	<u>\$ 5,900</u>	<u>\$ -</u>	<u>\$ 5,954</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

	Unity of Greater New Orleans Inc. <u>SAMHSA</u>	Unity of Greater New Orleans Inc Supportive <u>Housing</u>	New Orleans Office of Community Development <u>ESG</u>	Greater New Orleans <u>Foundation</u>	Greater New Orleans Foundation <u>Title Clearing</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 46,574	\$ 1,488	\$ 50,000	\$ -	\$ -
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	46,574	1,488	50,000	-	-
EXPENSES:					
Personnel:					
Salaries - lawyers	36,617	1,488	37,736	-	-
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	9,954	-	12,264	-	-
Total personnel expenses	46,571	1,488	50,000	-	-
Contract services	-	-	-	-	-
Travel and training	3	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	1,154
Other	-	-	-	-	-
Total expenses	46,574	1,488	50,000	-	1,154
CHANGE IN NET ASSETS	-	-	-	-	(1,154)
NET ASSETS AT BEGINNING OF YEAR	-	-	-	4,994	3,179
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	\$ -	\$ -	\$ -	\$ 4,994	\$ 2,025

<u>Start Corporation</u>	<u>CAAH One Stop BR</u>	<u>NOAAHH</u>	<u>Internal Revenue Service Grant</u>	<u>State Appropriation</u>	<u>United Way Tangipahoa</u>	<u>United Way New Orleans</u>	<u>United Way Donations</u>
\$ -	\$ 20,833	\$ 1,000	\$ 100,000	\$ 250,000	\$ 10,000	\$ 62,500	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,608
-	-	-	-	-	-	-	-
<u>-</u>	<u>20,833</u>	<u>1,000</u>	<u>100,000</u>	<u>250,000</u>	<u>10,000</u>	<u>62,500</u>	<u>4,608</u>
4,625	24,379	-	97,000	250,000	7,548	47,170	-
-	-	-	-	-	-	-	-
1,504	621	-	-	-	2,452	15,330	-
<u>6,129</u>	<u>25,000</u>	<u>-</u>	<u>97,000</u>	<u>250,000</u>	<u>10,000</u>	<u>62,500</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	3,000	-	-	-	-
1,226	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	377	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>7,355</u>	<u>25,000</u>	<u>377</u>	<u>100,000</u>	<u>250,000</u>	<u>10,000</u>	<u>62,500</u>	<u>-</u>
(7,355)	(4,167)	623	-	-	-	-	4,608
49,509	4,167	313	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,608</u>
<u>\$ 42,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>United Way Capital Area</u>	<u>Hope Center</u>	<u>Wisner City of New Orleans</u>	<u>VOCA Jefferson 3830</u>	<u>VOCA Washington 3841</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 29,000	\$ 12,056	\$ 25,000	\$ 153,980	\$ 128,492
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>29,000</u>	<u>12,056</u>	<u>25,000</u>	<u>153,980</u>	<u>128,492</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	23,585	13,284	24,413	105,849	72,393
Salaries - non-lawyers	-	-	-	-	25,578
Fringe benefits	7,665	4,318	587	42,735	23,844
Total personnel expenses	<u>31,250</u>	<u>17,602</u>	<u>25,000</u>	<u>148,584</u>	<u>121,815</u>
Contract services	-	-	-	-	-
Travel and training	686	-	-	2,155	2,123
Space costs	-	-	-	-	-
Supplies	-	-	-	2,971	299
Equipment	-	-	-	41	2,642
Depreciation	-	-	-	-	-
Litigation	-	1,100	-	126	52
Other	258	-	-	144	1,561
Total expenses	<u>32,194</u>	<u>18,702</u>	<u>25,000</u>	<u>154,021</u>	<u>128,492</u>
CHANGE IN NET ASSETS	(3,194)	(6,646)	-	(41)	-
NET ASSETS AT BEGINNING OF YEAR	-	6,646	-	-	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ (3,194)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41)</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VOCA New Orleans <u>3827</u>	United Way <u>St. Charles</u>	<u>General</u>	Investment in Fixed Assets <u>Other</u>	Investment in Fixed Assets <u>Buildings</u>	<u>Total</u>
\$ 86,564	\$ 47,017	\$ 469,704	\$ -	\$ -	\$ 7,606,811
-	-	-	-	-	1,343
-	-	77,425	-	-	107,033
-	-	-	-	-	3,450
<u>86,564</u>	<u>47,017</u>	<u>547,129</u>	<u>-</u>	<u>-</u>	<u>7,718,637</u>
41,688	33,147	-	-	-	3,641,272
-	-	-	-	-	1,149,231
<u>14,880</u>	<u>9,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,312,568</u>
56,568	42,181	-	-	-	6,103,071
-	-	7,500	-	-	319,472
2,352	1,826	530	-	-	122,031
6,000	4,968	20,823	-	-	361,844
11,732	300	3,877	-	-	90,976
9,704	-	-	-	-	32,967
-	-	-	2,442	18,266	20,708
16	-	20	-	-	32,606
192	-	35,471	-	-	260,693
<u>86,564</u>	<u>49,275</u>	<u>68,221</u>	<u>2,442</u>	<u>18,266</u>	<u>7,344,368</u>
-	(2,258)	478,908	(2,442)	(18,266)	374,269
-	(21,711)	559,159	69,151	334,645	1,186,966
<u>-</u>	<u>-</u>	<u>(32,305)</u>	<u>10,060</u>	<u>49,736</u>	<u>-</u>
<u>\$ -</u>	<u>\$ (23,969)</u>	<u>\$ 1,005,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 966,922</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,769</u>	<u>\$ 366,115</u>	<u>\$ 594,313</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

NOTE 1. PRIVATE ATTORNEY INVOLVEMENT COSTS

Private attorney involvement costs were generated from the following non-LSC programs:

Louisiana Bar Foundation	\$ 267,377
Other Grants	<u>28,649</u>
	<u>\$ 296,026</u>

NOTE 2. NET ASSETS – WITHOUT DONOR RESTRICTIONS

Net Assets without donor restrictions consists of interest income, unrestricted contributions, and court filing fees.



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

September 29, 2020

Board of Directors of the
Southeast Louisiana Legal Services Corporation

We have audited, 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, the financial statements of Southeast Louisiana Legal Services Corporation (a non-profit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southeast Louisiana Legal Services Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southeast Louisiana Legal Services Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Southeast Louisiana Legal Services Corporation's internal control.

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

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

Compliance and Other Matters

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

Purpose of the Report

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

Duplantier, Chapman, Hogan and Grady, LLP

New Orleans, Louisiana



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

September 29, 2020

Board of Directors of the
Southeast Louisiana Legal Services Corporation

Report on Compliance for Each Major Federal Program

We have audited Southeast Louisiana Legal Services Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Legal Services Corporation Audit Guide and Compliance Supplement (the Audit Guide) that could have a direct and material effect on each of Southeast Louisiana Legal Services Corporation's major federal programs for the year ended December 31, 2019. Southeast Louisiana Legal Services Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southeast Louisiana Legal Services Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Legal Services Corporation Audit Guide and Compliance Supplement. Those standards and the Uniform Guidance 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 Southeast Louisiana Legal Services Corporation's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Southeast Louisiana Legal Services Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Southeast Louisiana Legal Services Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of Southeast Louisiana Legal Services Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southeast Louisiana Legal Services Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Southeast Louisiana Legal Services Corporation's internal control over compliance.

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

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

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

Duplantier, Sharpness, Hogan and Grady, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

<u>PROGRAM DEPARTMENT / TITLE</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Funds passed through Unity of Greater New Orleans, Inc.: Violence Against Women Act and Housing Opportunities for Persons with AIDS	14.241		\$ 28,380	\$ -
Funds passed through Jefferson Parish:				
Community Development Block Grant	14.218		5,503	-
Emergency Solutions Grant	14.231		28,970	-
Funds passed through City of New Orleans:				
Emergency Solutions Grant	14.231		50,000	-
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>112,853</u>	<u>-</u>
<u>LEGAL SERVICES CORPORATION</u>				
Basic Field	9.61908		3,093,099	117,686
Technical Initiative Grant	9.61908		25,006	6,588
Vieth LSC Leadership Grant	9.61908		6,000	6,000
Pro Bono Transformation Grant	9.61908		93,828	-
TOTAL LEGAL SERVICES CORPORATION			<u>3,217,933</u>	<u>130,274</u>
<u>INTERNAL REVENUE SERVICE</u>				
LITC Program	21.008		100,000	-
TOTAL INTERNAL REVENUE SERVICE			<u>100,000</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Funds passed through New Orleans Council on Aging:				
Title III B Supportive Services	93.044		6,476	-
Funds passed through Capital Area Agency on Aging:				
Title III B Supportive Services	93.044		23,745	-
Funds passed through St. Tammany Council on Aging:				
Title III B Supportive Services	93.044		13,824	-
Funds passed through Livingston Council on Aging:				
Title III B Supportive Services	93.044		4,356	-
Funds passed through Lafourche Council on Aging:				
Title III B Supportive Services	93.044		4,552	-
Funds passed through Terrebonne Council on Aging:				
Title III B Supportive Services	93.044		4,614	-

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>				
Funds passed through East Baton Rouge Council on Aging:				
Title III B Supportive Services	93.044		\$ 7,659	\$ -
Fund passed through St. John Council on Aging:				
Title III B Supportive Services	93.044		1,832	-
Funds passed through St. James Council on Aging:				
Title III B Supportive Services	93.044		1,051	-
Funds passed through St. Charles Council on Aging:				
Title III B Supportive Services	93.044		2,022	-
Funds passed through Plaquemine Council on Aging:				
Title III B Supportive Services	93.044		3,083	-
Funds passed through Unity of Greater New Orleans, Inc.:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		46,574	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>119,788</u>	<u>-</u>
 <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES</u>				
Funds passed through Louisiana Bar Foundation:				
Title IV-E Foster Care	93.658		56,513	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES			<u>56,513</u>	<u>-</u>
 <u>U.S. DEPARTMENT OF JUSTICE</u>				
Legal Assistance for Victims	16.524		227,391	81,095
Funds passed through Southeast Spouse Abuse Program				
Legal Assistance for Victims	16.524		69,035	-
Funds passed through The Haven, Inc.				
Legal Assistance for Victims	16.524		102,588	-
Funds passed through Louisiana Commission on Law Enforcement:				
Crime Victim Assistance	16.575		369,077	-
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>768,091</u>	<u>81,095</u>
 <u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>				
Funds passed through Start Corporation:				
Supportive Services for Veteran Families	64.033		7,355	-

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Federal CFDA <u>Number</u>	Pass-Through Grantors' <u>Number</u>	Federal <u>Expenditures</u>	Subrecipient <u>Costs</u>
<u>U.S. DEPARTMENT OF VETERANS AFFAIRS (Continued)</u>				
Funds passed through The Hope Center, Inc.				
Supportive Services for Veteran Families	64.033		18,702	-
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			<u>26,057</u>	<u>-</u>
 <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Funds passed through Equal Justice Works:				
AmeriCorps	94.006		20,390	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>20,390</u>	<u>-</u>
 TOTAL FEDERAL EXPENDITURES			 <u>\$ 4,421,625</u>	 <u>\$ 211,369</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal award activity of Southeast Louisiana Legal Services Corporation under programs of the federal government for the year ended December 31, 2019. The information in the schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of Southeast Louisiana Legal Services Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Southeast Louisiana Legal Services Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Southeast Louisiana Legal Services Corporation and is presented on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Southeast Louisiana Legal Services Corporation has met the cost of reimbursement or funding qualifications for the respective grants.

3. DE MINIMUS COST RATE:

During the year ended December 31, 2019, the Corporation did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

4. CONTRACT COMPLIANCE – LEGAL SERVICE CORPORATION:

Legal Services Corporation requires that the corporation expend 12.5% of their funding towards private attorney involvement. The contract compliance condition was satisfied for the year ended December 31, 2019.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- * Material weakness(es) identified? _yes Xno
- * Control deficiencies identified that are not considered to be material weaknesses? _yes Xno
- * Noncompliance material to financial statements noted? _yes Xno

Federal Awards:

Internal control over major programs:

- * Material weaknesses? _yes Xno
- * Control deficiencies identified that are not considered to be material weaknesses? _yes Xno

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance: _yes Xno

Identification of major program:

<u>Name of Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Legal Services Corporation – Basic Field Grant and Technology Initiative Grants	09.619081	\$ <u>3,217,933</u>

The dollar threshold used to distinguish between Type A and Type B program was: \$ 750,000

Auditee qualified as low-risk auditee? _yes Xno

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

B. FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None noted

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None noted

D. PRIOR YEAR FINDINGS:

2018-01: 403(B) Contributions

During the testing of payroll and benefits it was noted that the Corporation did not remit the employee deferral and employer match contributions for the pay period ended June 22, 2018, to the 403(b) Plan until March 25, 2019. Not remitting the 403(b) contributions timely results in employee contributions not being invested timely, in addition to noncompliance with Department of Labor (DOL) regulations. The DOL requires that the employer deposit deferrals to the trust as soon as the employer can; however, in no event can the deposit be later than the 15th business day of the following month.

Status:

This finding was resolved during the current year. The Southeast Louisiana Legal Services Corporation's Chief Financial Officer had prepared this transfer but had inadvertently failed to submit it. Upon discovery of this omission during the course of the prior year audit, the Corporation immediately submitted all funds due on March 25, 2019, and voluntarily reported this isolated incident to the Department of Labor.

SOUTHEAST LOUISIANA
LEGAL SERVICES CORPORATION

HAMMOND, LOUISIANA

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

DECEMBER 31, 2019

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

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September 29, 2020

Board of Directors
Southeast Louisiana Legal Services Corporation and
Louisiana Legislative Auditor

We have performed the procedures enumerated below which were agreed to by Southeast Louisiana Legal Services Corporation (the Corporation) and the Louisiana Legislative Auditor, on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures for the year ended December 31, 2019. The Corporation's management is responsible for the control and compliance areas identified in the Statewide Agreed Upon Procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) We obtained the entity's written policies and procedures and observed that those written policies and procedures addressed each of the following categories and subcategories, as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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- c) Disbursements, including processing, reviewing, and approving.
- d) Receipts/collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) Ethics - Not applicable
- j) Debt Service - Not applicable
- k) Disaster Recovery/Business Continuity, (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results:

It was noted during that the Corporation does not have written policies & procedures pertaining to disaster recovery / business continuity.

Management Response:

Southeast Louisiana Legal Services Corporation has had an approved Continuity of Operations/Disaster Plan since September 2006. It is reviewed annually. Southeast Louisiana Legal Services Corporation has procedures in place in practice for the tested Disaster Recovery/Business Continuity item. As of September 29, 2020, we have updated our Southeast Louisiana Legal Services Corporation Continuity of Operations/Disaster Plan to incorporate the below Disaster Recovery/Business Continuity practices into our written policy:

Each Southeast Louisiana Legal Services Corporation office location has a server where users save data. Backups are done daily. Each server is backed up to an external drive hooked to each server using software provided by our IT contractor. In addition, each server does a remote backup to idrive.com through our IT contractor's account which is included in our IT contract. Our IT consultant performs test restores at least twice per year. All Southeast Louisiana Legal Services Corporation computers and servers employ anti-virus software provided by our IT consultant as part of their contract. All are set to automatically install system patches/updates. If a server/drive crashes, our IT consultant will restore using the local backup or remote file backup depending on the need.

Collections (excluding ETFs)

- 2) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 3) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results:

No findings were noted as a result of applying the procedures above.

- 4) Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results:

No findings were noted as a result of applying the procedure above.

- 5) Randomly select two deposit dates for each of the bank accounts selected for procedures (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of the receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results:

Upon applying the procedures above, we noted that there was no record of when checks were received in the Hammond and New Orleans offices for 5 out of 25 receipts and, therefore, could not be determine how many days lapsed between receipt and deposit of funds. We noted that there were an additional 5 receipts (all client trust receipts) which were not deposited within 1 day of receipt or within 1 week of receipt (if less than \$100). The 5 receipts noted were deposited between 2 and 21 days.

Management Response:

Southeast Louisiana Legal Services Corporation will provide additional training to its staff involved in logging when checks are received. We will randomly monitor this on a monthly basis to ensure improves accuracy.

Southeast Louisiana Legal Services Corporation will also revise its written accounting policies in the following ways: (1) we will encourage all donors and vendors to use our new online electronic banking option to avoid having to process paper checks and (2) we will revise our policy regarding Client Trust Account deposits relative to third-party deposits such as from a court for a refund of expenses to be reimbursed to a former/current Southeast Louisiana Legal Service Corporation client.

The five client trust deposits not deposited within 24 hours were from courts, not directly from client. Courts often refund amounts to former clients years after their case is closed. Southeast Louisiana Legal Services Corporation needs sufficient time to confirm the funds are for a Southeast Louisiana Legal Services Corporation client and to determine if we have accurate contact information for the client/former client so that these unexpected refunds can be returned. This process often takes several weeks. If we cannot confirm that the funds are due to a Southeast Louisiana Legal Services

Corporation client/former client and valid contact information, we return those checks to the third-party and do not deposit them. The validation process makes it impossible to deposit these types of checks that need to be processed through our Client Trust Account within 24 hours. We will revise our written policies to cover these types of client trust deposits.

Payroll and Personnel

- 6) Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel file.

Results:

No findings were noted as a result of applying the procedure above.

- 7) Randomly select one pay period during the fiscal period. For 5 employees/officials selected for procedures, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave record.

Results:

No findings were noted as a result of applying the procedures above.

- 8) Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results:

No findings were noted as a result of applying the procedure above.

- 9) Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results:

No findings were noted as a result of applying the procedure above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the control and compliance areas identified in the Statewide Agreed Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed Upon Procedures, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, the report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier, Sharpman, Hogan and Parker, LLP

New Orleans, Louisiana