

R E P O R T

SOUTHEAST LOUISIANA
LEGAL SERVICES CORPORATION

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2021 AND 2020

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

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INDEPENDENT AUDITOR'S REPORT

May 31, 2022

Board of Directors
Southeast Louisiana Legal Services Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southeast Louisiana Legal Services Corporation (a non-profit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southeast Louisiana Legal Services Corporation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southeast Louisiana Legal Services Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeast Louisiana Legal Services Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Southeast Louisiana Legal Services Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeast Louisiana Legal Services Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 Schedule of Compensation, Benefits, and Other Payments to Executive Director, Justice System Funding Schedule – Receiving Entity, and the Combining Statements of Activities are presented for purposes of additional analysis and are 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 Schedule of Compensation, Benefits, and Other Payments to Executive Director, Justice System Funding Schedule – Receiving Entity, Combining Statement of Activities, 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 Schedule of Compensation, Benefits, and Other Payments to Executive Director, Justice System Funding Schedule – Receiving Entity, Combining Statement of Activities, and the schedule of expenditures of federal awards are 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 May 31, 2022, 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 solely 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 effectiveness of Southeast Louisiana Legal Services Corporation's 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, Shapreau, Hogan and Gaher, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,792,131	\$ 1,905,184
Cash in escrow - client deposits	27,361	42,320
Certificates of deposit	56,610	56,429
Grants and other receivables	1,096,359	1,012,065
Prepaid expenses and deposits	173,295	171,543
Other assets	<u>5,092</u>	<u>-</u>
Total current assets	<u>4,150,848</u>	<u>3,187,541</u>
PROPERTY AND EQUIPMENT - NET	<u>448,020</u>	<u>489,877</u>
TOTAL ASSETS	\$ <u>4,598,868</u>	\$ <u>3,677,418</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 77,774	\$ 87,739
Accrued taxes and expenses	192,279	131,308
Refundable advances	1,915,192	1,066,687
Current maturities of long-term debt	<u>-</u>	<u>52,261</u>
Client escrow funds	<u>27,361</u>	<u>42,320</u>
Total current liabilities	<u>2,212,606</u>	<u>1,380,315</u>
LONG-TERM LIABILITIES:		
Compensated absences	<u>435,303</u>	<u>395,241</u>
Total long-term liabilities	<u>435,303</u>	<u>395,241</u>
Total liabilities	<u>2,647,909</u>	<u>1,775,556</u>
NET ASSETS:		
Without donor restrictions	1,363,848	1,216,530
With donor restrictions:		
Other	139,091	205,975
Investment in fixed assets	<u>448,020</u>	<u>479,357</u>
Total net assets	<u>1,950,959</u>	<u>1,901,862</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>4,598,868</u>	\$ <u>3,677,418</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
REVENUE AND SUPPORT:			
Grants and fees	\$ -	\$ 9,868,977	\$ 9,868,977
Interest	- -	915	915
Donations	77,790	-	77,790
Other	2,400	-	2,400
Net assets released from donor restrictions	<u>9,968,113</u>	<u>(9,968,113)</u>	<u>-</u>
Total revenue and support	<u>10,048,303</u>	<u>(98,221)</u>	<u>9,950,082</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	4,789,446	-	4,789,446
Salaries - non-lawyers	1,707,401	-	1,707,401
Fringe benefits	<u>1,730,761</u>	<u>-</u>	<u>1,730,761</u>
Total personnel expenses	<u>8,227,608</u>	<u>-</u>	<u>8,227,608</u>
Contract services	285,348	-	285,348
Travel and training	77,684	-	77,684
Space costs	476,793	-	476,793
Supplies	90,807	-	90,807
Equipment	28,302	-	28,302
Depreciation	51,267	-	51,267
Litigation	46,410	-	46,410
COVID-19 eviction rental assistance	10,439	-	10,439
Mortgage foreclosure assistance	203,184	-	203,184
Other	<u>403,143</u>	<u>-</u>	<u>403,143</u>
Total expenses	<u>9,900,985</u>	<u>-</u>	<u>9,900,985</u>
CHANGE IN NET ASSETS	147,318	(98,221)	49,097
NET ASSETS AT BEGINNING OF YEAR	<u>1,216,530</u>	<u>685,332</u>	<u>1,901,862</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,363,848</u>	<u>\$ 587,111</u>	<u>\$ 1,950,959</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Grants and fees	\$ -	\$ 9,145,428	\$ 9,145,428
Interest	- -	3,383	3,383
Donations	232,390	-	232,390
Other	7,551	-	7,551
Net assets released from donor restrictions	<u>9,057,792</u>	<u>(9,057,792)</u>	-
Total revenue and support	<u>9,297,733</u>	<u>91,019</u>	<u>9,388,752</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	4,338,612	-	4,338,612
Salaries - non-lawyers	1,480,433	-	1,480,433
Fringe benefits	<u>1,565,160</u>	<u>-</u>	<u>1,565,160</u>
Total personnel expenses	<u>7,384,205</u>	<u>-</u>	<u>7,384,205</u>
Contract services	380,378	-	380,378
Travel and training	67,504	-	67,504
Space costs	417,409	-	417,409
Supplies	83,262	-	83,262
Equipment	133,703	-	133,703
Depreciation	25,697	-	25,697
Litigation	55,375	-	55,375
COVID-19 eviction rental assistance	179,968	-	179,968
Other	<u>320,624</u>	<u>-</u>	<u>320,624</u>
Total expenses	<u>9,048,125</u>	<u>-</u>	<u>9,048,125</u>
CHANGE IN NET ASSETS	249,608	91,019	340,627
NET ASSETS AT BEGINNING OF YEAR	<u>966,922</u>	<u>594,313</u>	<u>1,561,235</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,216,530</u>	<u>\$ 685,332</u>	<u>\$ 1,901,862</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Legal Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES:				
Personnel:				
Salaries - lawyers	\$ 4,580,380	\$ 168,628	\$ 40,438	\$ 4,789,446
Salaries - non-lawyers	1,341,435	317,606	48,360	1,707,401
Fringe benefits	<u>1,577,572</u>	<u>129,533</u>	<u>23,656</u>	<u>1,730,761</u>
Total personnel expenses	7,499,387	615,767	112,454	8,227,608
Contract services	282,430	2,467	451	285,348
Travel and training	70,808	5,814	1,062	77,684
Space costs	434,726	35,550	6,517	476,793
Supplies	82,770	6,796	1,241	90,807
Equipment	25,797	2,118	387	28,302
Depreciation	50,566	-	701	51,267
Litigation	46,410	-	-	46,410
COVID-19 eviction rental assistance	10,439	-	-	10,439
Mortgage foreclosure assistance	203,184	-	-	203,184
Other	<u>378,909</u>	<u>20,492</u>	<u>3,742</u>	<u>403,143</u>
TOTAL EXPENSES	<u>\$ 9,085,426</u>	<u>\$ 689,004</u>	<u>\$ 126,555</u>	<u>\$ 9,900,985</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Legal Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES:				
Personnel:				
Salaries - lawyers	\$ 4,121,523	\$ 210,884	\$ 6,205	\$ 4,338,612
Salaries - non-lawyers	1,300,628	162,956	16,849	1,480,433
Fringe benefits	<u>1,458,406</u>	<u>100,553</u>	<u>6,201</u>	<u>1,565,160</u>
Total personnel expenses	6,880,557	474,393	29,255	7,384,205
Contract services	376,920	3,257	201	380,378
Travel and training	62,900	4,337	267	67,504
Space costs	390,253	25,503	1,653	417,409
Supplies	77,583	5,349	330	83,262
Equipment	124,583	8,590	530	133,703
Depreciation	25,595	-	102	25,697
Litigation	55,375	-	-	55,375
COVID-19 eviction rental assistance	179,968	-	-	179,968
Other	306,273	13,518	833	320,624
TOTAL EXPENSES	<u>\$ 8,480,007</u>	<u>\$ 534,947</u>	<u>\$ 33,171</u>	<u>\$ 9,048,125</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 49,097	\$ 340,627
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	51,267	25,697
(Increase) decrease in operating assets:		
Grants and other receivables	(84,294)	410,704
Prepaid expenses and deposits	(1,752)	(118,843)
Other assets	(5,092)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(9,965)	(49,928)
Accrued taxes and expenses	60,971	(115,114)
Refundable advances	848,505	382,217
Compensated absences	40,062	114,943
Client escrow funds	<u>(14,959)</u>	<u>8,264</u>
Net cash provided by operating activities	<u>933,840</u>	<u>998,567</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(9,410)	-
Reinvestment of interest	<u>(181)</u>	<u>(1,512)</u>
Net cash used by investing activities	<u>(9,591)</u>	<u>(1,512)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payment of long-term debt	(52,261)	(62,170)
Net cash used by financing activities	<u>(52,261)</u>	<u>(62,170)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	871,988	934,885
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>1,947,504</u>	<u>1,012,619</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 2,819,492</u>	<u>\$ 1,947,504</u>
Cash paid during the year for interest	<u>\$ 1,407</u>	<u>\$ 5,111</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020

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, 2021 AND 2020

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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (Continued)

Advertising:

Southeast Louisiana Legal Services Corporation's policy is to expense all advertising fees as incurred. Advertising expense for the years ended December 31, 2021 and 2020, was \$19,108 and \$31,784, respectively.

2. **CASH AND CASH EQUIVALENTS:**

At December 31, 2021, the carrying amount of the Corporation's cash deposits was \$2,792,131 and the bank balance was \$2,903,083. At December 31, 2020, the carrying amount of the Corporation's cash deposits was \$1,905,184 and the bank balance was \$1,884,286. Balances for 2021 and 2020 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 cases, and money received from third parties on behalf of clients. These deposits are segregated from the Corporation's funds.

At December 31, 2021 and 2020, the carrying amount of Southeast Louisiana Legal Services Corporation's client deposits was \$27,361 and \$42,320, respectively. At December 31, 2021 and 2020, the bank balances of Southeast Louisiana Legal Services Corporation's client deposits were \$37,588 and \$53,692, 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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

4. FAIR VALUE MEASUREMENT: (Continued)

	Fair Value Measurement of Reporting Date			
	Quoted Prices In Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>	
Certificates of deposit				
December 31, 2021	\$ 56,610	\$ -	\$ -	
December 31, 2020	\$ 56,429	\$ -	\$ -	

The carrying amounts of the certificates of deposit reported in the statements of financial position approximate fair value because of the short maturities of these instruments.

5. PROPERTY AND EQUIPMENT:

The following is a summary of property and equipment, net of accumulated depreciation, for the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	LSC	Non-LSC
Capital assets not being depreciated:						
Land	\$ 59,200	\$ -	\$ -	\$ 59,200	\$ -	\$ 59,200
Total capital assets not being depreciated	<u>59,200</u>	<u>-</u>	<u>-</u>	<u>59,200</u>	<u>-</u>	<u>59,200</u>
Capital assets being depreciated:						
Building	547,982	-	-	547,982	-	547,982
Leasehold improvement	46,767	-	-	46,767	46,767	-
Equipment	21,690	9,410	-	31,100	-	31,100
Total capital assets being depreciated	<u>616,439</u>	<u>9,410</u>	<u>-</u>	<u>625,849</u>	<u>46,767</u>	<u>579,082</u>
Less: accumulated depreciation	<u>(185,762)</u>	<u>(51,267)</u>	<u>-</u>	<u>(237,029)</u>	<u>(31,063)</u>	<u>(205,966)</u>
Total capital assets, net	<u><u>\$ 489,877</u></u>	<u><u>\$ (41,857)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 448,020</u></u>	<u><u>\$ 15,704</u></u>	<u><u>\$ 432,316</u></u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

5. PROPERTY AND EQUIPMENT: (Continued)

The following is a summary of property and equipment, net of accumulated depreciation, for the year ended December 31, 2020:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020	LSC	Non-LSC
Capital assets not being depreciated:						
Land	\$ 59,200	\$ -	\$ -	\$ 59,200	\$ -	\$ 59,200
Total capital assets not being depreciated	<u>59,200</u>	<u>-</u>	<u>-</u>	<u>59,200</u>	<u>-</u>	<u>59,200</u>
Capital assets being depreciated:						
Building	547,982	-	-	547,982	-	547,982
Leasehold improvement	49,710	-	(2,943)	46,767	46,767	-
Equipment	41,894	-	(20,204)	21,690	-	21,690
Total capital assets being depreciated	<u>639,586</u>	<u>-</u>	<u>(23,147)</u>	<u>616,439</u>	<u>46,767</u>	<u>569,672</u>
Less: accumulated depreciation	(183,212)	(25,697)	23,147	(185,762)	(4,206)	(181,556)
Total capital assets, net	<u>\$ 515,574</u>	<u>\$ (25,697)</u>	<u>\$ -</u>	<u>\$ 489,877</u>	<u>\$ 42,561</u>	<u>\$ 447,316</u>

Depreciation expense for the years ended December 31, 2021 and 2020, was \$51,267 and \$25,697, respectively.

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 \$355,913 and \$302,495 for the years ended December 31, 2021 and 2020, respectively. The Corporation's Hammond, Louisiana office entered into a five-year operating lease effective December 1, 2019. In April 2022, the Corporation exercised its option to purchase the Hammond, Louisiana office. Future lease commitments on the Hammond, Louisiana office are disclosed for the first four months of 2022 through the date of purchase and not through the term of the original agreement. The operating lease for the Corporation's Covington, Louisiana, office expired on January 31, 2021. The Corporation's Covington, Louisiana office entered into a new five-year operating lease effective February 1, 2021. The operating lease for the Corporation's Harvey, Louisiana, office expired on November 30, 2019, and was extended until August 31, 2020. At the end of the Corporation's Harvey, Louisiana, office lease, the Corporation entered into a new five-year and three month (63 month) operating lease in Gretna, Louisiana, effective September 1, 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 Corporation's New Orleans, Louisiana office entered into a five-year operating lease effective April 1, 2018. The Corporation entered into a new one-year sublease agreement for a second New Orleans, Louisiana office effective June 1, 2021. Future minimum lease payments are as follows for the years ending December 31:

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

6. LEASE COMMITMENTS: (Continued)

2022	\$ 305,142
2023	235,089
2024	85,144
2025	81,133
2026	2,500
	\$ 709,008

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 accrued interest at the current prime index rate plus 2%. Under no circumstances was the interest rate to be less than 4.50%. The rate at December 31, 2021 and 2020, was 5.25% and 5.50%, respectively. The note payable was secured by the building and land costing \$607,182. At December 31, 2020, the balance on the loan was \$52,261. During the year ended December 31, 2021, the Corporation paid off the entire remaining principal balance of the loan. The balance on the loan at December 31, 2021 was \$-0-. Interest expense on the loan was \$1,407 and \$5,111, respectively, for the years ended December 31, 2021 and 2020.

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 \$435,303 and \$395,241 in compensated absences at December 31, 2021 and 2020, respectively.

9. REVENUE AND SUPPORT:

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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

9. REVENUE AND SUPPORT: (Continued)

During the years ended December 31, 2021 and 2020, the Corporation received conditional grant funds from various grantors, including Legal Services Corporation and the 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 Legal Services Corporation. As of December 31, 2021 and 2020, the Corporation had refundable advances of \$19,526 and \$301,546, respectively, related to its “one-time” grants with Legal Services Corporation.

The Corporation reported refundable advances as of December 31, 2021, from the following grants:

<u>Grant</u>	<u>Grant Number/Description</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>2021</u>
LSC - PBIF	PB 20013	\$ 170,616	10/1/20 - 9/30/23	\$ 19,526
LA Bar Foundation	Disaster Fund	\$ 16,000	11/1/21 - 10/31/22	16,000
LA Bar Foundation	Capital Area Community Partnership Panel	\$ 3,000	11/1/21 - 10/31/22	3,000
LA Bar Foundation	Greater Orleans Community Partnership Panel	\$ 3,000	11/1/21 - 10/31/22	3,000
LA Bar Foundation	Bayou Region Community Partnership Panel	\$ 3,000	11/1/21 - 10/31/22	3,000
LA Bar Foundation	Access to Justice Fund	\$ 24,550	6/1/20 - 6/1/21	20,000
LA Bar Foundation - IOLTA	2021-002 LSC	\$ 1,081,659	7/1/21 - 6/30/22	152,114
LA Bar Foundation - CINC	CINC2021-002	\$ 725,000	7/1/21 - 6/30/22	44,315
AARP	DIS-2021-11-001	\$ 470,000	11/5/21 - 11/30/23	469,380
Baptist Community Ministries	9600018	\$ 21,923	10/1/18 - 3/31/19	1,096
BRAF Title Clearing	Case Management Support for Housing	\$ 50,000	12/14/21 - 12/13/22	50,000
Capital Area United Way	Disaster Legal Aid Hotline	\$ 11,500	10/11/21 - 6/30/22	11,500
City of N.O. - Nola Re-entry	K18-1209	\$ 35,000	9/30/19 - 9/30/20	14,274
City of N.O. Foreclosure	112260708	\$ 3,000,000	5/1/21 - 4/30/22	334,404
Greater N.O. Foundation	Healthy Justice Partnership - Gert Town	\$ 10,000	9/19/19 - 8/31/20	5,440
Greater N.O. Foundation	Hurricane Ida Disaster Response & Restoration	\$ 100,000	8/27/21 - 5/27/22	69,289
Greater N.O. Foundation	COVID-19 Legal Helpline	\$ 25,000	N/A	7,456
Greater N.O. Foundation	COVID-19 Housing Justice Project	\$ 75,000	6/15/21 - 12/31/21	28,311
Hancock Whitney	COVID-19 Rental Assistance Initiative	\$ 70,000	N/A	7,929
The Hope Center	Legal Support for Veterans in SSVF	\$ 30,000	10/1/18 - 9/30/19	14,228
The Hope Center	Legal Support for Veterans in SSVF	\$ 30,000	10/1/20 - 9/30/21	30,000
The Hope Center	Legal Support for Veterans in SSVF	\$ 30,000	10/1/21 - 9/30/22	15,000
Jefferson Parish Covid	55-20009	\$ 92,244	5/1/21 - 5/30/23	4,911
Kresge Foundation	R-2103-290545	\$ 257,000	5/1/21 - 10/31/22	229,406
Northshore Community Foundation	Northshore Hurricane Ida Relief	\$ 35,700	N/A	35,532
OLAP - Nursing Home	Social Services Contract	\$ 60,000	7/1/21 - 6/30/22	12,673
St. John Disaster	United Healthcare Louisiana Fund	\$ 148,516	11/16/21 - 11/16/23	141,529
Start Corporation	Legal Services for Veterans in SSVF	\$ 20,000	10/1/20 - 9/30/21	18,178
Start Corporation	Legal Services for Veterans in SSVF	\$ 20,000	10/1/21 - 9/30/22	20,000
United Way	Hurricane Ida Disaster	\$ 40,000	9/16/21 - 6/30/22	30,552
United Way	Disaster Relief Fellowship	\$ 60,000	9/1/21 - 8/30/22	41,723
Wells Fargo	Housing Stability Response and Recovery	\$ 300,000	7/1/20 - 6/30/22	46,596
Wilson Foundation Reentry	Huey and Angelina Wilson Foundation	\$ 50,000	7/1/21 - 3/30/22	14,830
				<u>\$ 1,915,192</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

9. REVENUE AND SUPPORT: (Continued)

The Corporation reported refundable advances as of December 31, 2020, from the following grants:

<u>Grant</u>	<u>Grant Number/Description</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>2020</u>
LSC - Basic Field Grant	Service Area - LA-13	\$ 3,804,864	1/1/20 - 12/31/20	\$ 321,703
LSC - TIG	17026	\$ 70,319	10/1/17 - 6/30/20	10,986
LSC - COVID-19 Response	CVT20089	\$ 634,145	3/1/20 - 9/30/21	271,034
LSC - PBIF	PB20013	\$ 170,616	10/1/20 - 9/30/23	19,526
LA Bar Foundation	Access to Justice Fund	\$ 22,050	5/1/19 - 5/1/20	5,000
LA Bar Foundation	Access to Justice Fund	\$ 24,550	6/1/20 - 6/1/21	24,550
LA Bar Foundation - IOLTA	2020-002 LSC	\$ 1,376,656	7/1/20 - 6/30/21	80,572
LA Bar Foundation	SRL 2018-056	\$ 4,500	9/6/18 - 9/6/19	4,364
LA Bar Foundation - CINC	CINC2020-002	\$ 725,000	7/1/20 - 6/30/21	1,592
Baptist Community Ministries	9600018	\$ 21,923	10/1/18 - 3/31/19	1,096
Bob Woodruff Foundation	COVID-19 Veterans Legal Advocacy	\$ 60,945	7/2020 - 7/2021	37,798
City of N.O. - Nola Re-entry	K18-1209	\$ 35,000	9/30/19 - 9/29/20	14,274
Gillis Long Poverty Law Center	Social Justice Fellowship 2020-2021	\$ 25,000	10/1/20 - 9/30/21	22,436
Greater N.O. Foundation	Healthy Justice Partnership - Gert Town	\$ 10,000	9/1/19 - 8/31/20	5,440
Greater N.O. Foundation	COVID-19 Legal Helpline	\$ 25,000	N/A	25,000
Hancock Whitney	COVID-19 Rental Assistance Initiative	\$ 70,000	N/A	6,209
Hancock Whitney	COVID-19 Eviction Initiative	\$ 30,000	N/A	12,928
The Hope Center	Legal Support for Veterans in SSVF	\$ 30,000	10/1/18 - 9/30/19	14,633
The Hope Center	Legal Support for Veterans in SSVF	\$ 30,000	10/1/20 - 9/30/21	15,000
New Venture Fund	COVID-19 Response and Relief Efforts	\$ 75,000	N/A	28,312
OLAP - Nursing Home	Social Services Contract	\$ 60,000	7/1/19 - 6/30/20	12,673
Start Corporation	Legal Services for Veterans in SSVF	\$ 20,000	10/1/19 - 9/30/20	5,000
Start Corporation	Legal Services for Veterans in SSVF	\$ 20,000	10/1/20 - 9/30/21	20,000
Tulane Law School	Lutz Fellowship 2020-2021 - JS	\$ 23,000	10/5/20 - 10/4/21	6,000
United Way	Hospitality Workers	\$ 25,000	N/A	9,018
US DOJ - VAWA	2015-WL-AX-0053	\$ 999,249	10/1/15 - 9/30/20	24,656
Wells Fargo	Housing Stability Response and Recovery	\$ 300,000	7/1/20 - 6/30/22	51,409
Yale - IPILY	IPILY Fellowship 2020-2021	\$ 35,962	8/2020 - 8/2021	15,478
				<u>\$ 1,066,687</u>

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

	<u>2021</u>	<u>2020</u>
Legal Services Corporation	47%	47%
Louisiana Bar Foundation	22%	25%

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

10. PRIVATE ATTORNEY INVOLVEMENT:

One of the general grant conditions of the Legal Services Corporation Basic Field 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, 2021 and 2020, is listed below:

	<u>2021</u>	<u>2020</u>
Personnel:		
Salaries - lawyers	\$ 366,591	\$ 349,781
Salaries - non-lawyers	102,571	103,930
Fringe benefits	127,369	123,686
Contract services	193,833	163,879
Travel and training	5,611	5,263
Space costs	34,302	30,951
Supplies	6,557	6,492
Equipment	2,044	10,425
Litigation	4,105	18,350
Other	<u>28,893</u>	<u>24,515</u>
Total Private Attorney Involvement		
(PAI) Expenses	<u>\$ 871,876</u>	<u>\$ 837,272</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, 2021 and 2020.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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 subgrant 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, 2021, was for the period January 1, 2021 through December 31, 2021. The contract period for the Pro Bono Project for the year ended December 31, 2020, was for the period January 1, 2020 through December 31, 2020. The subgrant agreements, approved by Legal Services Corporation, totaled \$83,000 for each of the years ended December 31, 2021 and 2020, respectively.

The subgrant agreement with the Baton Rouge Bar Foundation is to provide attorney representation - pro bono. For the year ended December 31, 2021, the subgrant agreement was for the period January 1, 2021 through December 31, 2021. The subgrant agreement for the year ended December 31, 2020, was for the period January 1, 2020 through December 31, 2020. The subgrant agreements approved by Legal Services Corporation, totaled \$52,000 for each of the years ended December 31, 2021 and 2020. 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 limit: \$19,500 (\$26,000 over 50 years of age) for the years ended December 31, 2021 and 2020. The 2021 and 2020 employer contribution rate remained unchanged from the prior years at 3%. The employer contribution for the years ended December 31, 2021 and 2020, totaled \$104,834 and \$89,324, 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, 2021 and 2020, 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.

**SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

15. LIMITATION OF FEDERAL CARRYOVER FUNDS:

The Legal Services Corporation limits the federal Legal Services Corporation (LSC) 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. Recipients may request a waiver to retain funds in excess of 25% of a recipient's LSC support only for extraordinary and compelling circumstances, such as when a natural disaster or other catastrophic event prevents the timely expenditure of LSC funds, or when the recipient receives an insurance reimbursement, the proceeds from the sale of real property, a payment from a lawsuit in which the recipient was a party, or a payment from an LSC-funded lawsuit, regardless of whether the recipient was a party to the lawsuit.

On March 20, 2020, via a Frequently Asked Question, LSC reminded Recipients that 45 C.F.R. Part 1628 allows grantees to request approval to carry over funds in excess of 25% of LSC support when there are “extraordinary and compelling circumstances, such as a natural disaster or other catastrophic event, that prevent the timely expenditure of LSC funds” and advised that the COVID-19 crisis is such an event. Therefore, LSC determined that all Recipients with a December 31, 2020 or January 31, 2021 fiscal year end (FYE) were allowed to carry over any excess LSC fund balance for that fiscal year, regardless of the amount. Despite this blanket approval, recipients were still required to submit a waiver request within 30 days after the submission of annual audited financial statements. However, rather than submit a formal request letter, recipients only needed to complete a simple Fund Balance Waiver Request for Fiscal Year 2020 Smartsheet Form. LSC provided a blanket approval of all December 31, 2020 and January 31, 2021 FYE excess fund balance waiver requests; therefore, recipients did not receive separate approval notices from LSC after completing the Form.

The Corporation did not have any excess carryover funds for the years ended December 31, 2021 and 2020.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

16. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
American College of Bankruptcy Foundation	\$ 3,089	\$ 3,879
ATJ Disaster Court Costs Appleseed	789	-
Baptist Community Ministries	4,282	982
Bayou Region GNOF	3,215	5,261
Capital One	30,378	20,869
City of New Orleans IV-A	7,500	-
Delgado Single Stop	9,084	-
Donation - Rental Assistance	759	560
Greater New Orleans Flood Proof	3,719	3,719
Greater New Orleans Foundation	4,994	4,994
Greater New Orleans Foundation - Title Clearing	2,495	2,020
Humana - COVID Hotline	-	26,139
Irene W. and C.B. Pennington Foundation	4,738	4,930
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
Louisiana Bar Foundation - CPP Southshore	3,173	3,173
Louisiana Bar Foundation - JSCPP Veteran Clinic	1,930	1,930
Louisiana Bar Foundation - State Appropriation	13,077	44,992
Misko Donation Medical Records	-	24
Start Corporation	37,088	38,479
State of Louisiana - Road Home Grant	-	36,388
United Way - Rental Assistance Donation	-	213
Wilson Heir Property Appleseed	<u>2,095</u>	<u>-</u>
Total	<u>139,091</u>	<u>205,975</u>
Investment in Fixed Assets	<u>448,020</u>	<u>479,357</u>
Total With Donor Restrictions	<u>\$ 587,111</u>	<u>\$ 685,332</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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:

	<u>2021</u>	<u>2020</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 2,792,131	\$ 1,905,184
Certificates of deposit	56,610	56,429
Grants and other receivables	1,096,359	1,012,065
Cash in escrow - client deposits	27,361	42,320
Total financial assets at year-end	<u>3,972,461</u>	<u>3,015,998</u>
Less contractual or donor-imposed restrictions:		
Client escrow funds	(27,361)	(42,320)
Refundable advances for legal services (Legal Service Corporation)	(19,526)	(623,249)
Refundable advances for legal services (Louisiana Bar Foundation)	(241,429)	(116,078)
Refundable advances for legal services (All Other Grants)	(1,654,237)	(327,360)
Donor-restricted for legal services (Louisiana Bar Foundation)	(24,866)	(57,518)
Donor-restricted for legal services (All Other Grants)	(114,225)	(148,457)
Total contractual or donor-imposed restrictions	<u>(2,081,644)</u>	<u>(1,314,982)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,890,817</u>	<u>\$ 1,701,016</u>

18. NET ASSETS DEFICIT BALANCE:

As of December 31, 2021 and December 31, 2020, the following funds had deficit net assets without donor restrictions.

	<u>2021</u>	<u>2020</u>
LSC - Basic Field Grant	\$ 325	\$ -
LSC - TIG Grant #17027	-	6,501
LSC - TIP Technology Award	199	-
Lutz CB	-	8,696
United Way- St. Charles	-	20,173

The Corporation intends to cover these deficit balances with future operating revenues.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

19. ECONOMIC DEPENDENCY:

As of December 31, 2021 and 2020, approximately 69% 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.

20. UNCERTAINTIES:

The COVID-19 pandemic and its effects continue to evolve as of the date of this report. As such, it is uncertain as to the magnitude that the pandemic will have on the Corporation's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Corporation is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

The Corporation's operations are heavily dependent on private and public donations from individuals, foundations, and corporations. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued negative impact on economic and market conditions, triggering a period of economic slowdown. This situation may depress donations and grant revenues during fiscal year 2022 and beyond.

21. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was May 31, 2022.

SUPPLEMENTARY INFORMATION

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO EXECUTIVE DIRECTOR
DECEMBER 31, 2021

Agency Head Name: Laura Tuggle, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 114,999
FICA	8,797
Benefits - insurance	10,532
Benefits - retirement	3,450
Reimbursements	1,496
	<hr/> <hr/>
	\$ 139,274

**SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	First Six Month Period Ended	Second Six Month Period Ended
Cash Basis Presentation	<u>6/30/2021</u>	<u>12/31/2021</u>

Receipts From:

24th Judicial District Court / Civil Fees	\$ 57,333	\$ -
Baton Rouge City Court / Civil Fees	6,265	5,960
Orleans Parish Clerk of Court / Civil Fees	67,128	44,649
Livingston Parish Clerk of Court / Civil Fees	7,686	4,784
Tangipahoa Parish Clerk of Court / Civil Fees	4,845	5,543
St. Helena Parish Clerk of Court / Civil Fees	303	342
St. Tammany Parish Clerk of Court / Civil Fees	31,227	20,383
Washington Parish Clerk of Court / Civil Fees	5,510	4,150
East Baton Rouge Parish Family Court	5,234	911
Lafourche Parish Clerk of Court / Civil Fees	65	-
St. Bernard Parish Clerk of Court / Civil Fees	<u>4,808</u>	<u>4,410</u>
 Subtotal Receipts	 <u>\$ 190,404</u>	 <u>\$ 91,132</u>
 Ending Balance of Amounts Assessed but Not Received	 <u>\$ -</u>	 <u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Legal Services Corporation - LA 13		
	Private		
	Basic	Attorney	
	Field Grant	Involvement	Total
REVENUE AND SUPPORT:			
Grants and fees	\$ 4,341,990	\$ -	\$ 4,341,990
Interest	915	-	915
Donations	-	-	-
Other	2,400	-	2,400
Total revenue and support	<u>4,345,305</u>	<u>-</u>	<u>4,345,305</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	1,441,041	103,083	1,544,124
Salaries - non-lawyers	1,136,589	102,572	1,239,161
Fringe benefits	688,561	107,211	795,772
Total personnel expenses	<u>3,266,191</u>	<u>312,866</u>	<u>3,579,057</u>
Contract services	75,677	140,832	216,509
Travel and training	43,777	5,610	49,387
Space costs	200,551	34,301	234,852
Supplies	24,757	6,558	31,315
Equipment	-	-	-
Depreciation	-	-	-
Litigation	2,864	-	2,864
COVID-19 eviction rental assistance	-	-	-
Mortgage foreclosure assistance	-	-	-
Other	<u>194,538</u>	<u>28,412</u>	<u>222,950</u>
Total expenses	<u>3,808,355</u>	<u>528,579</u>	<u>4,336,934</u>
CHANGE IN NET ASSETS	536,950	(528,579)	8,371
NET ASSETS AT BEGINNING OF YEAR	<u>3,993,912</u>	<u>(3,993,912)</u>	<u>-</u>
TRANSFERS BETWEEN FUNDS	-	-	(8,696)
INVESTMENT IN FIXED ASSETS	-	-	-
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ <u>4,530,862</u>	\$ <u>(4,522,491)</u>	\$ <u>(325)</u>
NET ASSETS - WITH DONOR RESTRICTIONS END OF YEAR	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Legal Services Corporation			
	Technical Initiative <u>Grant # 17027</u>	LSC <u>COVID-19</u>	TIP Technology <u>Award</u>	Pro Bono Innovation <u>Fund PB20013</u>
REVENUE AND SUPPORT:				
Grants and fees	\$ 6,505	\$ 271,034	\$ -	\$ 68,246
Interest	-	-	-	-
Donations	-	-	-	-
Other	-	-	-	-
Total revenue and support	<u>6,505</u>	<u>271,034</u>	<u>-</u>	<u>68,246</u>
EXPENSES:				
Personnel:				
Salaries - lawyers	4	146,683	-	57,433
Salaries - non-lawyers	-	67,497	-	-
Fringe benefits	-	56,854	-	9,656
Total personnel expenses	<u>4</u>	<u>271,034</u>	<u>-</u>	<u>67,089</u>
Contract services	-	-	-	-
Travel and training	-	-	199	557
Space costs	-	-	-	-
Supplies	-	-	-	390
Equipment	-	-	-	-
Depreciation	-	-	-	-
Litigation	-	-	-	-
COVID-19 eviction rental assistance	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-
Other	-	-	-	-
Total expenses	<u>4</u>	<u>271,034</u>	<u>199</u>	<u>68,246</u>
CHANGE IN NET ASSETS	6,501	-	(199)	-
NET ASSETS AT BEGINNING OF YEAR	(6,501)	-	-	-
TRANSFERS BETWEEN FUNDS	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (199)</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Gillis Long Social Justice <u>Law Center</u>	Gillis Long <u>Fellow</u>	Gillis Long <u>Fellow</u>	New Orleans <u>Bar</u>	Equal Justice America <u>Law Clerks</u>	Whitney/ Hancock <u>Hairston</u>	Whitney Hancock <u>Rental</u>	Donation Rental <u>Assistance</u>
\$ 97,000	\$ 22,436	\$ 46,000	\$ 25,000	\$ 5,000	\$ -	\$ (1,720)	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
97,000	22,436	46,000	25,000	5,000	-	(1,720)	-	-
 - 17,259	 97,000	 5,177	 46,000	 25,000	 5,000	 -	 -	 -
 - 22,436	 97,000	 5,320	 46,000	 25,000	 5,000	 -	 -	 -
 - -	 - -	 - -	 - -	 - -	 - -	 - -	 - -	 - -
 - -	 - -	 - -	 - -	 - -	 - -	 - (220)	 - -	 - -
 - -	 - -	 - -	 - -	 - -	 - -	 - -	 - -	 - -
 - -	 - -	 - -	 - -	 - -	 - 6,497	 - -	 - -	 - -
 - -	 - -	 - -	 - -	 - -	 - -	 - (1,500)	 - -	 - (199)
 - -	 - -	 - -	 - -	 - -	 - 441	 - -	 - -	 - -
 97,000	 22,436	 46,000	 25,000	 5,000	 6,938	 (1,720)	 -	 (199)
 - -	 - -	 - -	 - -	 - -	 - (6,938)	 - -	 - -	 199
 - -	 - -	 - -	 - -	 - -	 - -	 8,373	 - -	 560
 - -	 - -	 - -	 - -	 - -	 - -	 - -	 - -	 - -
 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ 1,435	 \$ -	 \$ -	 \$ -
 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ 759

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Hancock <u>Fellow JS</u>	Humana <u>COVID Hotline</u>	ATJ Disaster Court Costs <u>Appleseed</u>	Wilson Heir Property <u>Appleseed</u>	LBF Disaster
REVENUE AND SUPPORT:					
Grants and fees	\$ 12,928	\$ -	\$ 2,500	\$ 5,000	\$ -
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>12,928</u>	<u>-</u>	<u>2,500</u>	<u>5,000</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	11,354	20,107	-	-	-
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	1,574	6,032	-	-	-
Total personnel expenses	<u>12,928</u>	<u>26,139</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contract services	-	-	-	-	-
Travel and training	-	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	1,711	2,905	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	<u>12,928</u>	<u>26,139</u>	<u>1,711</u>	<u>2,905</u>	<u>-</u>
CHANGE IN NET ASSETS	-	(26,139)	789	2,095	-
NET ASSETS AT BEGINNING OF YEAR	-	26,139	-	-	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
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>\$ 789</u>	<u>\$ 2,095</u>	<u>\$ -</u>

LBF Capital Area	<u>LBF GNO</u>	LBF Bayou <u>Region</u>	LBF CPP <u>Pro Bono</u>	LBF- Access to <u>Justice Fund</u>	LBF - JSCPP Veteran <u>Clinic</u>	Delgado Single <u>Stop</u>	LBF CPP <u>Houma</u>
\$ -	\$ -	\$ -	\$ -	\$ 9,550	\$ -	\$ 15,000	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/> 9,550	<hr/>	<hr/> 15,000	<hr/>
-	-	-	-	-	-	-	-
-	-	-	-	2,050	-	4,137	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,241	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/> 2,050	<hr/>	<hr/> 5,378	<hr/>
-	-	-	-	7,500	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	538	-
-	-	-	737	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/> 737	<hr/> 9,550	<hr/>	<hr/> 5,916	<hr/>
-	-	-	(737)	-	-	9,084	-
-	-	-	-	737	-	1,930	-
-	-	-	-	-	-	-	2,203
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,930	\$ 9,084	\$ 2,203

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Louisiana Bar Foundation Community Partnership Panel Grant <u>Southshore</u>	Louisiana Bar Foundation Community Partnership Panel Grant <u>Northshore</u>	Louisiana Bar Foundation <u>IOLTA</u>	Irene W. and C.B. Pennington <u>Foundation</u>	Jefferson Parish <u>ESG</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ -	\$ -	\$ 1,157,615	\$ -	\$ 2,522
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>-</u>	<u>-</u>	<u>1,157,615</u>	<u>-</u>	<u>2,522</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	-	-	679,049	148	1,942
Salaries - non-lawyers	-	-	66,896	-	-
Fringe benefits	-	-	230,041	44	580
Total personnel expenses	<u>-</u>	<u>-</u>	<u>975,986</u>	<u>192</u>	<u>2,522</u>
Contract services	-	-	1,726	-	-
Travel and training	-	-	3,430	-	-
Space costs	-	-	75,337	-	-
Supplies	-	-	24,107	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	-
Other	-	-	77,029	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>1,157,615</u>	<u>192</u>	<u>2,522</u>
CHANGE IN NET ASSETS	-	-	-	(192)	-
NET ASSETS AT BEGINNING OF YEAR	3,173	4,483	-	4,930	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
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>\$ 3,173</u>	<u>\$ 4,483</u>	<u>\$ -</u>	<u>\$ 4,738</u>	<u>\$ -</u>

<u>Yale BA</u>	GNOF Flood Proof	Wells Fargo	<u>Lutz - NP</u>	<u>Lutz CB</u>	<u>Lutz JS</u>	Bayou Region <u>GNOF</u>	SRL 2018-056 <u>Terrebonne</u>
\$ 15,478	\$ -	\$ 154,813	\$ 48,000	\$ -	\$ 6,000	\$ -	\$ 4,364
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>15,478</u>	<u>-</u>	<u>154,813</u>	<u>48,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>4,364</u>
11,906	-	96,697	48,000	-	6,000	1,574	4,364
-	-	-	-	-	-	-	-
3,572	-	29,009	-	-	-	472	-
<u>15,478</u>	<u>-</u>	<u>125,706</u>	<u>48,000</u>	<u>-</u>	<u>6,000</u>	<u>2,046</u>	<u>4,364</u>
-	-	-	-	-	-	-	-
-	-	1,948	-	-	-	-	-
-	-	12,571	-	-	-	-	-
-	-	1,200	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	13,388	-	-	-	-	-
<u>15,478</u>	<u>-</u>	<u>154,813</u>	<u>48,000</u>	<u>-</u>	<u>6,000</u>	<u>2,046</u>	<u>4,364</u>
-	-	-	-	-	-	(2,046)	-
-	3,719	-	-	(8,696)	-	5,261	-
-	-	-	-	8,696	-	-	-
<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>\$ 3,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,215</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	City of New Orleans	Safe <u>VAWA</u>	Haven <u>VAWA</u>	American College of Bankruptcy Foundation	JRI Jefferson Parish
REVENUE AND SUPPORT:					
Grants and fees	\$ -	\$ 88,973	\$ 171,308	\$ -	\$ 20,863
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>-</u>	<u>88,973</u>	<u>171,308</u>	<u>-</u>	<u>20,863</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	-	68,060	138,146	608	15,771
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	-	18,142	31,198	182	5,092
Total personnel expenses	<u>-</u>	<u>86,202</u>	<u>169,344</u>	<u>790</u>	<u>20,863</u>
Contract services	-	-	-	-	-
Travel and training	-	1,000	95	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	1,336	1,869	-	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	-
Other	-	435	-	-	-
Total expenses	<u>-</u>	<u>88,973</u>	<u>171,308</u>	<u>790</u>	<u>20,863</u>
CHANGE IN NET ASSETS	-	-	-	(790)	-
NET ASSETS AT BEGINNING OF YEAR	-	-	-	3,879	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
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>\$ 3,089</u>	<u>\$ -</u>

JRI New Orleans	New Orleans <u>Council on Aging</u>	United Way <u>Rental Assistance Donation</u>	New Venture <u>Housing 302</u>	Clean <u>Slate</u>	GNOF <u>Gert Town</u>	Bob <u>Woodruff Vet 302</u>	OLAP <u>Nursing Home</u>
\$ 31,385	\$ 2,569	\$ -	\$ 28,312	\$ 15,055	\$ -	\$ 37,798	\$ 60,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
31,385	2,569	-	28,312	15,055	-	37,798	60,000
18,949	1,383	-	24,132	6,598	-	30,442	46,322
-	-	-	-	-	-	-	-
8,206	388	-	1,351	3,665	-	7,356	8,672
27,155	1,771	-	25,483	10,263	-	37,798	54,994
-	-	-	-	-	-	-	-
-	177	-	60	-	-	-	-
4,230	395	-	-	-	-	-	5,006
-	226	-	2,769	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,792	-	-	-
-	-	213	-	-	-	-	-
-	-	-	-	-	-	-	-
31,385	2,569	213	28,312	15,055	-	37,798	60,000
-	-	(213)	-	-	-	-	-
-	-	-	213	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital Area Agency <u>on Aging</u>	St. Tammany Council <u>on Aging</u>	Livingston Parish Council <u>on Aging</u>	AARP	State of Louisiana Road Home <u>Grant</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 25,171	\$ 23,038	\$ 6,812	\$ 620	\$ -
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>25,171</u>	<u>23,038</u>	<u>6,812</u>	<u>620</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	12,706	12,310	3,668	-	-
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	4,071	3,504	1,027	-	-
Total personnel expenses	<u>16,777</u>	<u>15,814</u>	<u>4,695</u>	<u>-</u>	<u>-</u>
Contract services	-	-	-	-	-
Travel and training	1,039	894	262	620	-
Space costs	4,155	3,576	1,048	-	-
Supplies	2,078	1,788	524	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	-
Other	1,122	966	283	-	-
Total expenses	<u>25,171</u>	<u>23,038</u>	<u>6,812</u>	<u>620</u>	<u>-</u>
CHANGE IN NET ASSETS					
NET ASSETS AT BEGINNING OF YEAR	-	-	-	-	36,388
TRANSFERS BETWEEN FUNDS	-	-	-	-	(36,388)
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>\$ -</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Plaquemine Council <u>on Aging</u>	United Way Capital Area <u>IDA</u>	United Way SEL A <u>Disaster</u>	GNOF IDA	St. John <u>Disaster</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 4,248	\$ 9,448	\$ 18,277	\$ 30,711	\$ 2,992
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>4,248</u>	<u>9,448</u>	<u>18,277</u>	<u>30,711</u>	<u>2,992</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	2,024	7,154	13,383	20,757	1,991
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	727	2,146	4,015	6,227	597
Total personnel expenses	<u>2,751</u>	<u>9,300</u>	<u>17,398</u>	<u>26,984</u>	<u>2,588</u>
Contract services	-	-	-	-	-
Travel and training	185	148	-	1,029	255
Space costs	741	-	-	2,698	-
Supplies	371	-	-	-	149
Equipment	-	-	879	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	-
Other	200	-	-	-	-
Total expenses	<u>4,248</u>	<u>9,448</u>	<u>18,277</u>	<u>30,711</u>	<u>2,992</u>
CHANGE IN NET ASSETS					
NET ASSETS AT BEGINNING OF YEAR	-	-	-	-	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
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>\$ -</u>	<u>\$ -</u>

Equal Justice Works		U.S. Department of Justice							Foundation		
Disaster Resilience <u>Fellow</u>	Northshore Community <u>Foundation</u>	BRAF Title <u>Clearing</u>	Assistance for Victims - <u>Orleans</u>	Baptist Community <u>Ministries</u>	Capital One	Vawa 10/1/21 P13		for LA <u>Prime 316</u>			
\$ 8,740	\$ 168	\$ -	\$ 33,231	\$ -	\$ 25,000	\$ 27,851	\$ 20,000				
-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-				
8,740	168	-	33,231	-	25,000	27,851	20,000				
7,666	117	-	31,793	-	11,065	21,398	13,986				
-	-	-	-	-	-	-	-				
1,074	36	-	-	-	3,319	5,764	4,196				
8,740	153	-	31,793	-	14,384	27,162	18,182				
-	-	-	1,438	-	-	-	-				
-	-	-	-	-	-	-	-				
-	15	-	-	-	1,107	689	1,818				
-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-				
-	-	-	-	(3,300)	-	-	-				
-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-				
-	-	-	-	-	-	-	-				
8,740	168	-	33,231	(3,300)	15,491	27,851	20,000				
-	-	-	-	3,300	9,509	-	-				
-	-	-	-	-	982	20,869	-				
-	-	-	-	-	-	-	-				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$ -	\$ -	\$ -	\$ -	\$ 4,282	\$ 30,378	\$ -	\$ -				

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Wilson Foundation <u>Reentry</u>	Jefferson Parish <u>COVID</u>	City of New Orleans <u>IV-A</u>	City of New Orleans <u>IV-B</u>	City of New Orleans <u>NHIF</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 35,170	\$ 16,775	\$ 60,385	\$ 82,388	\$ 4,460
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>35,170</u>	<u>16,775</u>	<u>60,385</u>	<u>82,388</u>	<u>4,460</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	26,986	11,731	-	16,855	-
Salaries - non-lawyers	-	-	19,147	27,472	-
Fringe benefits	8,096	3,519	-	22,647	-
Total personnel expenses	<u>35,082</u>	<u>15,250</u>	<u>19,147</u>	<u>66,974</u>	<u>-</u>
Contract services	-	-	-	-	-
Travel and training	-	-	-	-	-
Space costs	-	1,525	19,182	-	-
Supplies	88	-	-	4,133	-
Equipment	-	-	14,029	4,920	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	4,460
Other	-	-	527	6,361	-
Total expenses	<u>35,170</u>	<u>16,775</u>	<u>52,885</u>	<u>82,388</u>	<u>4,460</u>
CHANGE IN NET ASSETS	-	-	7,500	-	-
NET ASSETS AT BEGINNING OF YEAR	-	-	-	-	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
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>\$ 7,500</u>	<u>\$ -</u>	<u>\$ -</u>

City of New Orleans > 6 mo <u>50-80 ESG</u>	ESG CARES <u>313</u>	New Orleans Office of Community Development <u>ESG</u>	City of New Orleans <u>Foreclosure</u>	Greater New Orleans Foundation <u>Foundation</u>	Greater New Orleans Foundation <u>Title Clearing</u>	Start Corporation	GNOF Disaster
\$ 33,128	\$ 94,519	\$ 64,011	\$ 165,596	\$ -	\$ -	\$ -	\$ 17,544
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,128	94,519	64,011	165,596	-	-	-	17,544
<hr/>							
- 67,834	47,456	-	-	-	-	889	12,268
- 4,785	-	-	-	-	-	-	-
- 21,900	16,555	-	-	-	-	270	3,681
- 94,519	64,011	-	-	-	-	1,159	15,949
<hr/>							
- -	-	-	-	-	-	-	-
- -	-	-	-	-	-	-	-
- -	-	-	-	-	-	232	1,595
- -	-	-	-	-	-	-	-
- -	-	-	-	-	-	-	-
- -	-	-	-	-	-	(475)	-
- -	-	-	-	-	-	-	-
33,128 - -	165,596 - -	- -	- -	- -	- -	- -	- -
33,128	94,519	64,011	165,596	-	-	(475)	1,391
- -	- -	- -	- -	- -	- -	475	(1,391)
<hr/>							
- -	- -	- -	- -	4,994	2,020	38,479	-
- -	- -	- -	- -	-	-	-	-
- -	- -	- -	- -	-	-	-	-
\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -
\$ - -	\$ - -	\$ - -	\$ - -	\$ 4,994	\$ 2,495	\$ 37,088	\$ - -

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Misko Donation Medical <u>Records</u>	Kresge Foundation	GNOF COVID-19 Housing Justice <u>Project</u>	Internal Revenue Service <u>Grant</u>	State <u>Appropriation</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ -	\$ 27,594	\$ 46,689	\$ 100,000	\$ 225,000
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>-</u>	<u>27,594</u>	<u>46,689</u>	<u>100,000</u>	<u>225,000</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	-	16,416	33,350	99,975	210,110
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	-	4,925	10,004	-	46,805
Total personnel expenses	<u>-</u>	<u>21,341</u>	<u>43,354</u>	<u>99,975</u>	<u>256,915</u>
Contract services	-	-	-	-	-
Travel and training	-	-	-	25	-
Space costs	-	2,134	3,335	-	-
Supplies	-	3,240	-	-	-
Equipment	-	879	-	-	-
Depreciation	-	-	-	-	-
Litigation	24	-	-	-	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	<u>24</u>	<u>27,594</u>	<u>46,689</u>	<u>100,000</u>	<u>256,915</u>
CHANGE IN NET ASSETS	(24)	-	-	-	(31,915)
NET ASSETS AT BEGINNING OF YEAR	24	-	-	-	44,992
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
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>\$ -</u>	<u>\$ 13,077</u>

<u>United Way New Orleans</u>	<u>United Way Donations</u>	<u>United Way Capital Area</u>	<u>Hope Center</u>	<u>VOCA Jefferson 4977/5805</u>	<u>VOCA Washington 5072/5804</u>	<u>VOCA New Orleans 5466/6157</u>	<u>United Way St. Charles</u>
\$ 80,000	\$ -	\$ 58,000	\$ 405	\$ 174,018	\$ 200,607	\$ 108,514	\$ 36,850
-	-	-	-	-	-	-	-
-	10,115	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>80,000</u>	<u>10,115</u>	<u>58,000</u>	<u>405</u>	<u>174,018</u>	<u>200,607</u>	<u>108,514</u>	<u>36,850</u>
61,538	-	44,615	311	135,322	139,669	96,334	9,948
-	-	-	-	-	-	-	-
18,462	-	13,385	94	31,691	49,165	12,180	2,984
<u>80,000</u>	<u>-</u>	<u>58,000</u>	<u>405</u>	<u>167,013</u>	<u>188,834</u>	<u>108,514</u>	<u>12,932</u>
-	-	-	-	-	-	-	-
-	-	-	-	1,640	2,179	-	1,499
-	-	-	-	-	-	-	1,242
-	-	-	-	5,201	9,052	-	516
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,925	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>80,000</u>	<u>11,925</u>	<u>58,000</u>	<u>405</u>	<u>174,018</u>	<u>200,607</u>	<u>108,514</u>	<u>16,189</u>
-	(1,810)	-	-	-	-	-	20,661
-	14,943	-	-	-	-	-	(20,173)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 13,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488</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
FOR THE YEAR ENDED DECEMBER 31, 2021

	Hospitality Workers <u>309</u>	United Way Capital Area Disaster Line	General	Investment in Fixed Assets <u>Other</u>	Investment in Fixed Assets <u>Buildings</u>
REVENUE AND SUPPORT:					
Grants and fees	\$ 9,018	\$ -	\$ 303,532	\$ -	\$ -
Interest	-	-	-	-	-
Donations	-	-	67,675	-	-
Other	-	-	-	-	-
Total revenue and support	<u>9,018</u>	<u>-</u>	<u>371,207</u>	<u>-</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	6,307	-	-	-	-
Salaries - non-lawyers	-	-	67,747	-	-
Fringe benefits	1,891	-	32,768	-	-
Total personnel expenses	<u>8,198</u>	<u>-</u>	<u>100,515</u>	<u>-</u>	<u>-</u>
Contract services	-	-	26,675	-	-
Travel and training	-	-	520	-	-
Space costs	820	-	56,103	-	-
Supplies	-	-	376	-	-
Equipment	-	-	3,181	-	-
Depreciation	-	-	-	33,001	18,266
Litigation	-	-	28,152	-	-
COVID-19 eviction rental assistance	-	-	-	-	-
Mortgage foreclosure assistance	-	-	-	-	-
Other	-	-	51,411	-	-
Total expenses	<u>9,018</u>	<u>-</u>	<u>266,933</u>	<u>33,001</u>	<u>18,266</u>
CHANGE IN NET ASSETS	-	-	104,274	(33,001)	(18,266)
NET ASSETS AT BEGINNING OF YEAR	-	-	1,228,584	69,338	410,019
TRANSFERS BETWEEN FUNDS	-	-	78,129	(19,204)	(22,537)
INVESTMENT IN FIXED ASSETS	-	-	(61,671)	9,410	52,261
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,349,316</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,543</u>	<u>\$ 421,477</u>

Total

\$	9,868,977
	915
	77,790
	2,400
	<u>9,950,082</u>

4,789,446
1,707,401
<u>1,730,761</u>
8,227,608

285,348
77,684
476,793
90,807
28,302
51,267
46,410
10,439
203,184
403,143
<u>9,900,985</u>

49,097

1,901,862

-

-

\$ 1,363,848

\$ 587,111

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1. PRIVATE ATTORNEY INVOLVEMENT COSTS

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

Louisiana Bar Foundation	\$ 191,255
Other Grants	<u>145,892</u>
	<u>\$ 337,147</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

May 31, 2022

Board of Directors
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, 2021, 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 May 31, 2022.

Report on 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) as a basis for designing 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.

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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-01 that we consider to be a significant deficiency.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Southeast Louisiana Legal Services Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Southeast Louisiana Legal Services Corporation's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Southeast Louisiana Legal Services Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, Shapreau, Hogan and Grahams, 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**

May 31, 2022

Board of Directors
Southeast Louisiana Legal Services Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southeast Louisiana Legal Services Corporation's (the Corporation) compliance with the types of compliance requirements identified as subject to audit 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 the Corporation's major federal programs for the year ended December 31, 2021. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2021.

Basis for Opinion on Each Major Federal Program

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 of Auditing Standards*, issued by the Comptroller General of the United States; 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 (the Audit Guide). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Audit Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and the Audit Guide and which is described in the accompanying schedule of findings and questioned costs as item 2021-02. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Southeast Louisiana Legal Services Corporation's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Southeast Louisiana Legal Services Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and the Audit Guide. Accordingly, this report is not suitable for any other purpose.

Duplantier, Shapreau, Hogan and Okales, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>PROGRAM DEPARTMENT / TITLE</u>	Assistance Listing Number	Pass-Through Grantors' Number	Federal Expenditures	Subrecipient Costs
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Funds passed through Jefferson Parish:				
Community Development Block Grant	14.218		\$ 15,055	-
Community Development Block Grant - CARES	14.218	55-20009	16,775	-
Emergency Solutions Grant	14.231		2,522	-
Funds passed through City of New Orleans:				
Community Development Block Grant	14.218	CD-CV06 (21)	300,869	-
Emergency Solutions Grant	14.231	ESG-034H	97,139	-
Emergency Solutions Grant - CARES	14.231	ESG-CV05	<u>94,519</u>	<u>-</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>526,879</u>	<u>-</u>
<u>LEGAL SERVICES CORPORATION</u>				
Basic Field	09.619081	LA-13	4,336,934	135,000
Technical Initiative Grant	09.619081	TIG 17027	4	-
COVID-19 Response Grant	09.619081	CVT20089	271,034	-
Pro Bono Transformation Grant	09.619081	PB20013	68,246	-
TIP Technology Award	09.619081	GT-TG21T-00014	199	
TOTAL LEGAL SERVICES CORPORATION			<u>4,676,417</u>	<u>135,000</u>
<u>INTERNAL REVENUE SERVICE</u>				
LITC Program	21.008	21-LITC0531-01-00	<u>100,000</u>	<u>-</u>
TOTAL INTERNAL REVENUE SERVICE			<u>100,000</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN</u>				
Mortgage foreclosure assistance				
Funds passed through New Orleans Council on Aging:				
Title III B Supportive Services	93.044		2,569	-
Funds passed through Capital Area Agency on Aging:				
Title III B Supportive Services	93.044		25,171	-
Funds passed through St. Tammany Council on Aging:				
Title III B Supportive Services	93.044		23,038	-
Funds passed through Livingston Council on Aging:				
Title III B Supportive Services	93.044		6,812	-
Funds passed through Lafourche Council on Aging:				
Title III B Supportive Services	93.044		2,470	-
Funds passed through Terrebonne Council on Aging:				
Title III B Supportive Services	93.044		3,096	-

**SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>PROGRAM DEPARTMENT / TITLE</u>	<u>Assistance Listing 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</u> (Continued)				
Funds passed through East Baton Rouge Council on Aging:				
Title III B Supportive Services	93.044		\$ 11,925	\$ -
Fund passed through St. John Council on Aging:				
Title III B Supportive Services	93.044		4,071	-
Funds passed through St. James Council on Aging:				
Title III B Supportive Services	93.044		178	-
Funds passed through St. Charles Council on Aging:				
Title III B Supportive Services	93.044		878	-
Funds passed through Plaquemine Council on Aging:				
Title III B Supportive Services	93.044		4,248	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>84,456</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		<u>151,424</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES			<u>151,424</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Legal Assistance for Victims	16.524	2015-WL-AX-0053	33,231	1,438
Funds passed through Southeast Spouse Abuse Program:				
Legal Assistance for Victims	16.524		88,973	-
Funds passed through The Haven, Inc.:				
Legal Assistance for Victims	16.524		171,308	-
Funds passed through Office on Violence Against Women:				
Legal Assistance for Victims	16.524		27,851	
Funds passed through Louisiana Commission on Law Enforcement:				
Crime Victim Assistance	16.575	2018-VA-01/02-4977		
		2019-VA-01/02-5805	174,018	-
		2018-VA-02/01-5072		
Crime Victim Assistance	16.575	2019-VA-02/03-5804	200,607	-
		2019-VA-01/02-5466		
Crime Victim Assistance	16.575	2020-VA-01/02-6157	108,514	-
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>804,502</u>	<u>1,438</u>

**SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>PROGRAM DEPARTMENT / TITLE</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>				
Funds passed through Start Corporation:				
Supportive Services for Veteran Families	64.033		\$ 1,391	\$ -
Funds passed through The Hope Center, Inc.:				
Supportive Services for Veteran Families	64.033		405	-
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			<u>1,796</u>	<u>-</u>
<u>U.S. DEPARTMENT OF TREASURY</u>				
Funds passed through East Baton Rouge Parish:				
Emergency Rental Assistance Program	21.023		58,376	-
TOTAL U.S. DEPARTMENT OF TREASURY			<u>58,376</u>	<u>-</u>
TOTAL FEDERAL EXPENDITURES			\$ <u>6,403,850</u>	\$ <u>136,438</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021. 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 MINIMIS COST RATE:

During the year ended December 31, 2021, the Corporation did not elect to use the 10% de minimis cost rate a 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, 2021.

**SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- | | | |
|--------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------|
| * Material weakness(es) identified? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |
| * Control deficiencies identified that are not considered to be material weaknesses? | <input checked="" type="checkbox"/> yes | <input type="checkbox"/> no |
| * Noncompliance material to financial statements noted? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |

Federal Awards:

Internal control over major programs:

- | | | |
|--------------------------------------------------------------------------------------|------------------------------|----------------------------------------|
| * Material weaknesses? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |
| * Control deficiencies identified that are not considered to be material weaknesses? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance: yes no

Identification of major program:

<u>Name of Program</u>	<u>Assistance Listing No.</u>	<u>Expenditures</u>
Legal Services Corporation – Basic Field, TIG, PBIF, and COVID-19, and TIP Technology grants	09.619081	\$ 4,676,417

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

Auditee qualified as low-risk auditee? yes no

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

2021-01:

INTERNAL CONTROLS - PREPARATION AND REVIEW OF BANK RECONCILIATIONS

Condition:

During the performance of the audit, bank reconciliations were obtained as of December 31, 2021, as a means of substantiating the cash balances of Southeast Louisiana Legal Services Corporation. In reviewing the Corporation's bank reconciliation for the Corporation's general operating account, it was noted that there was no documentation supporting when and by whom the bank reconciliations were prepared and reviewed. In addition, it was noted that a suspense item of \$50,424 was reported on the December 31, 2021 bank reconciliation. Upon further inquiry of the Corporation's Chief Financial Officer, it was determined that the suspense item had not been investigated at the time the bank reconciliation was prepared. Upon further investigation, it was determined that the balance reported as suspense on the bank reconciliation related to checks that were inadvertently voided within the Corporation's accounting system. These checks had already cleared the Corporation's bank accounts and should not have been voided within the accounting system. An internal control deficiency exists when the Chief Financial Officer has both the authority and access to void checks within the accounting system with no subsequent review.

Criteria:

Monthly bank account reconciliations are the primary internal control procedure relating to Southeast Louisiana Legal Services Corporation's cash accounts. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. All bank accounts should be reconciled on a monthly basis as of the date of the bank statement. As a part of the bank reconciliation process, outstanding checks, outstanding deposits, and other uncleared reconciling items should be investigated. Bank reconciliations should be completed, signed, and dated by the individual performing the bank reconciliation and the bank reconciliations should be reviewed by an individual, preferably within management, other than the preparer of the bank reconciliations.

Restrictions should be placed on who can void a check in addition to a review process being implemented over voided checks. Once a check has cleared the bank it should not be able to be voided within the accounting system.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

2021-01: (Continued)

INTERNAL CONTROLS - PREPARATION AND REVIEW OF BANK RECONCILIATIONS
(Continued)

Cause:

Southeast Louisiana Legal Services Corporation communicated during the audit that bank reconciliations are prepared on a monthly basis, but due to the Corporation working more remotely and transitioning to a more paperless work environment, the preparation and review process was not as streamlined and documented as it had been in prior years when a physical file was maintained.

Effect:

As a result of not documenting the preparation and review of the bank reconciliations errors could occur and not be detected timely.

In addition, as a result of not investigating the reconciling items on the monthly bank reconciliations, the voided check issue went unnoticed until the performance of the audit, resulting in adjustments needing to be made to correct overstated cash balances and understated expense balances.

Carrying reconciling items on bank reconciliations from month to month also causes additional time to be spent by personnel to reconcile the bank accounts each month.

Recommendation:

We recommend that the preparer document on the monthly bank reconciliation the date in which the reconciliations are prepared and completed. We also recommend that the monthly bank reconciliations be reviewed by an individual, preferably within management, other than the preparer of the bank reconciliations and that the review should be documented on the monthly bank reconciliations.

We recommend that checks and other uncleared reconciling items be investigated and removed from the bank reconciliations, when necessary, and that the original transaction be reversed, when necessary. Research should be done periodically to eliminate large numbers of reconciling items being carried from month to month.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

2021-01: (Continued)

INTERNAL CONTROLS - PREPARATION AND REVIEW OF BANK RECONCILIATIONS
(Continued)

Recommendation: (Continued)

We recommend that restrictions be placed on who can void a check within the Corporation's accounting system or establish a policy whereby all checks to be voided must be reviewed and approved by an individual, preferably within management, other than the individual that will void the checks within the accounting system.

Management Response:

Southeast Louisiana Legal Services (SLLS) has reviewed these concerns and is in agreement to adopt the three recommendations made by our auditor to prevent this type of problem from reoccurring and to strengthen the agency's internal controls. We do not agree with the audit statement that "the suspense was carried forward." Our CFO was clearing up stale dated checks and accidentally voided some checks in the month of December 2021 only. Though the bank reconciliations were done, SLLS' remote work combined with transitioning to a more paperless office, inadvertently resulted in the process not being as streamlined and accurately documented as it had been in prior years when a physical file was maintained. We also moved to a new Cloud based accounting system which had different features from our prior system and a new electronic payroll system. In addition, our entire geographic service area, was hard hit by Hurricane Ida which impacted our staff. Our Hammond office where our fiscal office is located, was out of power for almost three weeks. We also had 33 new grants and some unexpected fiscal staffing changes.

To correct this problem, SLLS' Deputy Director will set a monthly calendar meeting time to review bank statements, reconciliations, and to review outstanding checks. Dated signatures will be obtained on documents to indicate that the review has been timely completed. The Deputy Director will also meet at least monthly on an agreed upon monthly schedule with the Chief Financial Officer to review outstanding checks. We are changing our Accounting Policy to provide that all checks to be voided must be reviewed and approved by our Deputy Director before fiscal staff can void any checks in our accounting system.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

2021-02:

NONCOMPLIANCE WITH LEGAL SERVICES CORPORATION – 1626 RESTRICTIONS ON LEGAL ASSISTANCE TO ALIENS

Condition:

During the performance of the audit, inquiries were made of a sample of Southeast Louisiana Legal Services Corporation employees relating to the Corporation's compliance with the regulations of Legal Services Corporation. In response to inquiries made, one employee noted the possible existence of an instance in which legal assistance had been provided to an ineligible alien in violation of 45 CFR § 1626 Restrictions on Legal Assistance to Aliens. Upon additional inquiry, it was determined that legal assistance had been provided to an ineligible alien in relation to an eviction hearing.

Criteria:

Subject to certain exceptions recipients may not use any funds to provide legal services for or on behalf of aliens.

Cause:

An applicant approached Southeast Louisiana Legal Services Corporation staff for the first time at the Corporation's courthouse-based Eviction Desk. The applicant's eviction hearing was being heard within minutes of approaching Southeast Louisiana Legal Services Corporation to apply for services. Applicant was asked about citizenship status and communicated to Southeast Louisiana Legal Services Corporation staff that applicant was a Legal Permanent Resident Alien (LPR), which is an eligible type of alien status to qualify for legal services. Applicant communicated to Southeast Louisiana Legal Services Corporation that applicant did not have green card in possession, but promised to provide it to Southeast Louisiana Legal Services Corporation later that day. Since applicant had court within minutes, Southeast Louisiana Legal Services Corporation staff believed applicant.

When Southeast Louisiana Legal Services Corporation followed up to obtain the green card for the case file, applicant then revealed that applicant was not in fact a Legal Permanent Resident Alien (LPR). Applicant did not meet any other eligibility category for legal assistance to aliens. The case was closed as Case Service Report (CSR) ineligible.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS: (Continued)

2021-02: (Continued)

NONCOMPLIANCE WITH LEGAL SERVICES CORPORATION – 1626 RESTRICTIONS
ON LEGAL ASSISTANCE TO ALIENS (Continued)

Effect:

Southeast Louisiana Legal Services Corporation is not in compliance with the terms and conditions of the LSC Basic Field Award. Non-compliance with the LSC Basic Field Award could result in reduced awards in subsequent years.

Recommendation:

We recommend that Southeast Louisiana Legal Services Corporation remind all employees of the LSC Regulations relating to CFR § 1626 Restrictions on Legal Assistance to Aliens through annual training and refresher courses. Employees should be informed that legal assistance cannot be provided to ineligible aliens, even in crisis situations, without verification of eligible alien status.

Management Response:

SLLS investigated what caused this error in delivering legal assistance to a non-citizen in violation of 45 CFR 1626. As noted, the person approached our intake staff at our courthouse based eviction desk. The person was a Spanish speaker. Our intake worker was not bilingual in Spanish. We have not been able to determine if there was a Limited English Proficiency barrier which contributed to this inadvertent delivery of legal assistance to an ineligible alien. The entire interaction took place within minutes on the spot in the courthouse with the person facing imminent eviction.

We have taken corrective action on this matter including notifying specific staff who work at our courthouse based eviction desks that SLLS cannot provide legal assistance unless the applicant is a citizen or the applicant has verification at the time of their request for legal assistance to document eligible alien status. We have also sent an e-mail to all staff regarding the same, updated our Intake Manual and sent it staff with these instructions, and are incorporating updates with this specific example into our bimonthly Intake Refresher training sessions.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

D. PRIOR YEAR FINDINGS:

None noted

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JANUARY 01, 2021
THROUGH DECEMBER 31, 2021

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR JANUARY 01, 2021
THROUGH DECEMBER 31, 2021

June 22, 2022

Board of Directors

Southeast Louisiana Legal Services Corporation
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 01, 2021 through December 31, 2021. Southeast Louisiana Legal Services Corporation's management is responsible for those C/C areas identified in the SAUPs.

Southeast Louisiana Legal Services Corporation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 01, 2021 through December 31, 2021. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. **Procedure:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - 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.
 - 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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - 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***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Board or Finance Committee

- 2. **Procedure:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Bank Reconciliations

- 3. **Procedure:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain

and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: As a result of applying the above agreed-upon procedures, we noted the following related to the July 2021 bank reconciliations (month selected for testing):

- 5 of 5 bank accounts selected for testing were noted as not having documentation reflecting the date that the reconciliations were prepared. As a result, it was not possible to determine whether the reconciliations were prepared within 2 months of the related statement closing dates of July 31, 2021.
- 5 of 5 bank accounts selected for testing were noted as not having evidence that the reconciliations were reviewed by Management or the Board of Directors.
- 1 of the 5 bank accounts (main operating account) selected for testing was noted as not having documentation reflecting that management has researched reconciling items that had been outstanding for more than 12 months from the statement closing date of July 31, 2021. The outstanding checks were issued on 1/08/2020, 3/16/2020, and 7/22/2020 and were in the amounts of \$38.86, \$106.10, and \$500.00, respectively.
- 1 of the 5 bank accounts (main operating account) selected for testing was noted as having discrepancies between the bank reconciliation summary and the bank reconciliation detail. The discrepancies were due to an error within the Corporation's accounting system when printing the bank reconciliation.

Recommendations: We recommend that the preparer document on the monthly bank reconciliation the date in which the reconciliations are prepared and completed. We also recommend that the monthly bank reconciliations be reviewed by an individual, preferably within management, other than the preparer of the bank reconciliations and that the review should be documented on the monthly bank reconciliations.

We recommend that checks and other uncleared reconciling items be investigated and removed from the bank reconciliations, when necessary, and that the original transaction be reversed, when necessary. Research should be done periodically to eliminate large numbers of reconciling items being carried from month to month.

We recommend that as a part of the bank reconciliation review process that the bank reconciliation summary and bank reconciliation detail be compared to verify that the summary and detail are in agreement.

Response: Management has provided a plan of corrective action, which is included in Appendix A.

Collections (excluding electronic funds transfers)

4. **Procedure:** 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).

Results: We noted no findings as a result of applying the above agreed-upon procedures.

5. **Procedure:** 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 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 (e.g., pre-numbered receipts) 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/official verifies the reconciliation.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: We noted no findings as a result of the applying the above agreed-upon procedures.

7. **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 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 the deposit was made within one business day of 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 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: As a result of applying the above agreed-upon procedures, we noted the following:

- 1 of the 2 deposits selected for testing for the General Operating Account was noted as not having documentation reflecting the date of receipt at the collection location. As a result, it was not possible to determine whether the deposit was made within one business day of receipt at the collection location.

Recommendations: We recommend that Corporation maintain a collections log documenting the receipt of funds at each of the Corporation's offices.

Response: Management has provided a plan of corrective action, which is included in Appendix A.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: We noted no findings as a result of applying the above agreed-upon procedures.

9. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

Results: We noted no findings as a result of applying the above agreed-upon procedures.

10. **Procedure:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

12. **Procedure:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception

reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

13. **Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. **Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Contracts

15. **Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Payroll and Personnel

16. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

17. **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

18. **Procedure:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

19. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Ethics

20. **Procedure:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: The Louisiana Code of Ethics is generally not applicable to nonprofit entities, but may be applicable in certain situations, such as councils on aging. The ethics agreed-upon procedures are not applicable to Southeast Louisiana Legal Services Corporation.

Debt Service

21. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the

listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Results: The debt service agreed-upon procedures category is generally not applicable to nonprofit entities. The debt service agreed-upon procedures are not applicable to Southeast Louisiana Legal Services Corporation.

22. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: The debt service agreed-upon procedures category is generally not applicable to nonprofit entities. The debt service agreed-upon procedures are not applicable to Southeast Louisiana Legal Services Corporation.

Fraud Notice

23. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

24. **Procedure:** Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: We noted no findings as a result of applying the above agreed-upon procedures.

Information Technology Disaster Recovery/Business Continuity

25. **Procedures:** Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the above agreed-upon procedures and discussed the results with management of Southeast Louisiana Legal Services Corporation.

Sexual Harassment

26. **Procedure:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds. The sexual harassment agreed-upon procedures are not applicable to Southeast Louisiana Legal Services Corporation.

27. **Procedure:** Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds. The sexual harassment agreed-upon procedures are not applicable to Southeast Louisiana Legal Services Corporation.

28. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Board of Directors

Southeast Louisiana Legal Services Corporation
Louisiana Legislative Auditor

June 22, 2022

Results: A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds. The sexual harassment agreed-upon procedures are not applicable to Southeast Louisiana Legal Services Corporation.

We were engaged by Southeast Louisiana Legal Services Corporation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

We are required to be independent of Southeast Louisiana Legal Services Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this 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, Chapman, Hogan and Gaher, LLP

New Orleans, Louisiana

APPENDIX A

MANAGEMENT'S RESPONSE



SOUTHEAST LOUISIANA
LEGAL SERVICES
Free Legal Aid for Low-Income People

Baton Rouge • Covington • Hammond • Gretna • Houma • New Orleans

1340 Poydras Street, Suite 600 • New Orleans, Louisiana 70112 • Telephone: (504) 529-1000 • Fax: (504) 596-2241
www.slls.org • www.louisianalawhelp.org • <http://tinyurl.com/sllsfaccbook>

June 28, 2022

Duplantier, Hrapmann, Hogan & Maher, LLP
Certified Public Accountants
1615 Poydras St., Suite 2100
New Orleans, LA 70112

This letter is in response to the findings noted in the Independent Accountant's Report on Applying Agreed-Upon Procedures performed for the fiscal year January 1, 2021 through December 31, 2021.

Bank Reconciliations – Procedure 3

Southeast Louisiana Legal Services (SLLS) has reviewed these concerns and is in agreement to adopt the recommendations made by our auditor to prevent this type of problem from reoccurring and to strengthen the agency's internal controls. SLLS' remote work combined with transitioning to a more paperless office, inadvertently resulted in the process not being as streamlined and accurately documented as it had been in prior years when a physical file was maintained. We also moved to a new Cloud based accounting system which had different features from our prior system and a new electronic payroll system. The cloud version of the accounting software had a known issue that the bank reconciliation summary and detail were not printing properly. The bank reconciliation detail had to be printed from the classic version of the software. This issue has not been resolved in the cloud version of the accounting system. This is a software issue that is beyond our control. In addition, our entire geographic service area was hard hit by Hurricane Ida, which impacted our staff. Our Hammond office where our fiscal office is located was out of power for almost three weeks. We also had 33 new grants and some unexpected fiscal staffing changes.

Corrective Action Plan:

To correct this problem, SLLS' Deputy Director has set a monthly calendar meeting time to review bank statements, reconciliations, and to review outstanding checks and other uncleared reconciliation items. Dated signatures will be obtained on documents to indicate that the review has been timely completed. The Deputy Director will also meet at least monthly on an agreed upon monthly schedule with the Chief Financial Officer to review outstanding checks and other uncleared reconciliation items. We are changing our Accounting Policy to provide that all checks



and other uncleared reconciliation items to be voided must be reviewed and approved by our Deputy Director before fiscal staff can void any checks in our accounting system. The bank reconciliations and detail will be printed from the classic version in the future to avoid the above mentioned software issue in the Cloud version.

Collections (excluding electronic funds transfers) – Procedure 7

Management Response: Southeast Louisiana Legal Services (SLLS) has reviewed these concerns and is in agreement to adopt the recommendations made by our auditor to prevent this type of problem from Reoccurring.

Corrective Action Plan: Southeast Louisiana Legal Services will provide a log to all of our offices that receive funds for the General Operating Account in order to document the date of receipt of the funds at the collection location.

Signed:



Laura Tuggle
Executive Director
Southeast Louisiana Legal Services Corporation