

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
-- 2018 Program Year Funding--**

ACTIVITY NAME: Homelessness Prevention Project

APPLICANT: Legal Aid Society of Northeastern New York, Inc.

MAILING ADDRESS: 40 New Street

Saratoga Springs Zip: 12866

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

CONTACT PERSON: Lillian M. Moy TITLE: Executive Director

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

141338448 (List Federal ID#) _____ (Specify)

17-225-7115
(DUNS #)

NATIONAL OBJECTIVE (select 1):

"Benefit persons of Low/moderate income"

- L/M Income Area Benefit
- L/M Income Limited Clientele Activities
- L/M Income Housing Activities
- L/M Income Job Creation/Retention

"Address slum/blight Conditions"

- "N/A" Slum/blighted Area
- Slum/blighted Spot Basis
- "N/A" Urban Renewal Completion

"Urgent CD Need"

- "N/A" Urgent Need

REQUESTED ENTITLEMENT FUNDING: \$ 16,000

Funding Leveraged from Other Sources: \$ 5,333

Total Activity Cost \$ 21,333

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

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



(Authorized Signature)

Lillian M. Moy
(Typed or Printed Name)

Executive Director

(Title)

1/29/2018
(Date)

1. ACTIVITY DESCRIPTION

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

A. The Homelessness Prevention Project is an ongoing activity funded from 1996 to 2016 by the CDBG. If fully funded, the HPP will be restored to its previous service level.

B. Community Need.

The Homelessness Prevention Project (HPP) would meet the need for homelessness prevention services identified as one of the highest priorities for housing needs in the City's 2015 Consolidated Plan. CDBG funding will be used to fund 17.1% FTE of a staff attorney to prevent unwarranted and illegal evictions.

The City's 2015 Consolidated Plan highlights the "continuum" of housing needs for persons of low and moderate income. First among them is the need for homelessness prevention activities. Services to benefit the most vulnerable in the City, at risk youth, seniors and people with special needs – such as those Legal Aid assists – are also a high priority public service need. Thus LASNNY's HPP would meet both high priority housing and public service needs. The Project will prioritize households facing eviction from homes with lead-based paint hazards and code conditions, consistent with the high priority the City places on these issues as well. The HPP will strive to reduce the initial incidence of homelessness by immediately intervening in instances of threatened or actual eviction, as well as by seeking to address the underlying financial factors which precipitate homelessness. As resources permit, advice will also be given on the rights and responsibilities of tenants and landlord/tenant counseling in order to assist tenants in maintaining current, affordable housing. Emphasis is placed on providing both individual tenants and the community in general with increased knowledge and skills related to the respective rights and responsibilities of tenants and landlords, as well as representation in court. Entitlement benefits advocacy and representation at fair hearings will be provided as needed to ensure receipt of emergency assistance or ongoing cash benefits.

There is no other targeted funding for publicly funded lawyers for low income tenants at risk of homelessness in the City of Saratoga Springs. Our OTDA funding may only be used in rural Saratoga County. It is CDBG funding that helps to provide this service to the City's at-risk residents. While other agencies may offer case management or lay advocacy services, only the Legal Aid Society can provide lawyers to contest these legal proceedings.

Low income and vulnerable residents in the City of Saratoga Springs urgently need access to the services of the HPP. Consider the following stories of clients residing in the City of Saratoga Springs who would have been assisted by HPP program over the last two quarters:

"Molly" and her boyfriend and their three children in common faced potential termination of their tenancy by the local housing authority after Moll's boyfriend had not fulfilled his community service

requirements. Client and her boyfriend were advised regarding the community service requirements and rules regarding their fulfillment and we communicated with the housing authority on their behalf. During the course of these communications, clients were served with an eviction petition due to nonpayment of rent. We were able to negotiate a payment plan with the housing authority that allowed the family to continue their tenancy without interruption and client's boyfriend was provided until December 2018 to make up all missing community service hours.

"Dorothy" is an adult disabled individual residing in public housing in Saratoga Springs. She has a legal guardian to assist her in making major decisions and suffers from developmental delays and mobility problems. The housing authority filed an eviction petition after inspection of her apartment resulted in violations for cleanliness and clutter. Working together with the client's legal guardian and the housing authority we were able to enable client to receive services that would help address these issues, and were able to negotiate a six-month window of time wherein her guardian could find housing with a higher level of care, which he believed was more appropriate for the client given her limitations. So in this matter, by utilizing the resources available, we were able to prevent her involuntary homelessness and provide time for alternate housing plans.

Since the beginning of HPP funding on July 1, 2017, in the first half of the grant year, there have been 24 new cases in the Saratoga City geographic area addressed by the current Homelessness Prevention Program. We anticipate serving 27 households throughout the grant year, and have already assisted more than 75% of the anticipated total number of households. This demonstrates the continued need for these services among the residents of Saratoga Springs.

As discussed above, since the beginning of this year's HPP funding on July 1, 2017, in the first half of the grant year, the HPP has been able to serve 23 households out of the anticipated 30 households over the full grant year. We were able to provide representation to 18 out of those 23 households served, and prevented involuntary homelessness in 13 of those cases, resulting in 72% success rate in cases where representation was provided, and preventing involuntary homelessness for individual household members.

Continued funding for the HPP would allow for the continuation of the "attorney in the courtroom" program in Saratoga City Court where an attorney is available at court on a weekly basis when the landlord/tenant cases are heard to assist individuals who are financially eligible for HPP legal services, with advice and representation to help them resolve their housing issues. The HPP staff attorney will also continue to participate in and attend meetings of the Saratoga Housing Alliance as his schedule allows.

This program will allow the HPP lawyer to continue to prevent involuntary homelessness in the City of Saratoga Springs by preventing eviction, allowing households to retain their permanent housing or by gaining additional time for the households to locate permanent housing. In addition to assisting clients in retaining housing and providing clients with the time necessary to locate and secure alternate housing, the HPP will also help continue to help clients enforce their rights to safe and healthy living conditions, assist clients in gaining access to personal property wrongfully withheld by landlords, and work with clients to access available resources to help them stave off future homelessness. We will also prioritize

assistance to the elderly and disabled, as well as other disadvantaged tenants, in maintaining public housing through litigation and information negotiation with Section 8 landlords and the local housing authority. This housing is often the last option before homelessness for at-risk, low-income individuals and families. This program is also believed to prevent involuntary homelessness for other households to whom we are able to provide advice and brief service.

The HPP was always a high performing project. In its previous fully funded year, from July 1, 2015 to June 30, 2016, we anticipated serving 30 households. However, we were able to assist a total of 46 households throughout the grant year, serving 153% of our annual goal. We were able to provide representation to 32 out of those 46 households served, and prevented involuntary homelessness in 27 of those cases, resulting in 84% success rate in cases where representation was provided, and preventing involuntary homelessness for 48 individual household members. During that same grant year 74 housing cases were opened for residents of the City of Saratoga Springs by our Saratoga office, including those handled by other attorneys and programs.

As discussed above, since the beginning of this year's HPP funding on July 1, 2017, in the first half of the grant year, the HPP has been able to serve 24 households out of the anticipated 27 households over the full grant year. We were able to provide representation to 18 out of those 24 households served, and prevented involuntary homelessness in 13 of those cases, resulting in 72% success rate in cases where representation was provided, and preventing involuntary homelessness for individual household members.

480 housing cases were opened by the Saratoga Springs office in 2017 across Warren, Washington and Saratoga Counties. Continuation of CDBG funding will ensure our ability to prioritize assistance to a number of residents within the City of Saratoga Springs facing imminent homelessness.

C. Who Will Benefit

The Homelessness Prevention Project is designed to benefit Saratoga Springs residents who are low income. The Legal Aid Society interviews each applicant for eligibility according to their income and assets. Under our 2018 financial guidelines, a household of four cannot have a monthly gross income greater than \$2,615 (annualized at \$31,375). This is well below the income levels identified for the low income households the City aims to serve with its Community Development Block Grant program.

D. Performance Goals

If fully funded, the HPP will serve 60 low income households with advice, brief service, negotiation and full representation designed to prevent homelessness. We expect to prevent homelessness for at least 70% of the households who receive full representation. Case file records and the Society's case management system will document whether we have met our performance goals.

E. Timeframe/Schedule

<u>Activity</u>	<u>Time Frame</u>
1. Commence CDBG-funded Homelessness Prevention representation	July 1, 2018

2. Outreach/community networking. Ongoing from date of commencement.
to announce renewed Homelessness Prevention Project at community meetings.
Provide ongoing notice of Project at community meetings.
 3. Homelessness Prevention Project Ongoing from date of commencement.
representation to low income households.
 4. Community Legal Education event By January 31, 2019
on landlord-tenant rights and responsibilities.
- F. The Homelessness Prevention Project does not require any additional local, state or federal approval.

2. Organizational Capacity

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

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

LASNNY has five offices, with the main office in Albany at 55 Colvin Avenue. We have had an office in Saratoga Springs since 1980 and are currently located at 40 New Street. The Saratoga staff consists of 10 attorneys, three paralegals and two support staff. Our current annual budget is \$10,701,564. Attached is a copy of our current Board officers and members. Our immediate past Board President is Saratoga Springs attorney, Ronald Kim. Susan Christopher, President of the Jefferson Terrace Tenants' Association, serves on our Board of Directors.

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

October 1996 - September 1997	Homelessness Prevention Project	13,500
October 1997 - September 1998	Homelessness Prevention Project	15,000
October 1998 - September 1999	Homelessness Prevention Project	8,000
October 1999 - September 2000	Homelessness Prevention Project	15,000
July 1, 2001 - June 30, 2002	Homelessness Prevention Project	15,000
July 1, 2002 - June 30, 2003	Homelessness Prevention Project	15,000
July 1, 2003 - June 30, 2004	Homelessness Prevention Project	15,000
July 1, 2004 - June 30, 2005	Homelessness Prevention Project	15,000
July 1, 2005 - June 30, 2006	Homelessness Prevention Project	16,000
July 1, 2006 - June 30, 2007	Homelessness Prevention Project	16,000
July 1, 2007 - June 30, 2008	Homelessness Prevention Project	13,000

July 1, 2008 - June 30, 2009	Homelessness Prevention Project	12,000
July 1, 2009 - June 30, 2010	Homelessness Prevention Project	12,000
July 1, 2010 - June 30, 2011	Homelessness Prevention Project	12,000
July 1, 2011 – June 30, 2012	Homelessness Prevention Project	10,059
July 1, 2012 – June 30, 2013	Homelessness Prevention Project	8,000
July 1, 2013 – June 30, 2014	Homelessness Prevention Project	8,378
July 1, 2014 – June 30, 2015	Homelessness Prevention Project	8,447
July 1, 2014 – June 30, 2015	The Right Place Project	10,557
July 1, 2015 – June 30, 2016	Homelessness Prevention Project	7,500
July 1, 2016 – June 30, 2017	The Right Place Project	12,920
July 1, 2017 - June 30, 2018	Homelessness Prevention Project	7,253
July 1, 2017 – June 30, 2018	The Right Place Project	7,060

B. LASNNY’s Experience -- In 2015, LASNNY closed 9,011 cases in various substantive areas, including homelessness prevention, housing, public assistance, disability and family law. While our 2016 statistics are not yet complete, we expect to exceed that number. Our work, including legal representation, community legal education (in person, in print and on the internet), information and referrals directly benefitted 60,112 individuals. Some of the benefits clients received were the prevention of homelessness funded by this grant and safety from domestic violence. This includes case closings under our Private Attorney Involvement (PAI) program. Via the PAI program, LASNNY screens and refers cases for low income clients to private attorneys who handle these cases on a pro bono basis.

We successfully administered a Homelessness Prevention Project funded by CDBG grant funds for 20 contract years. The Society continues to have the skills and staff to provide the highest possible quality legal services to prevent homelessness in the City of Saratoga Springs. Landlord-tenant and public assistance matters have long been part of the Legal Aid Society's daily work.

Our staff of experienced and committed attorneys, along with our systems to provide legal services in an efficient and effective manner, enable us to achieve the significant success of our Homelessness Prevention Project. Our work as advocates in the Saratoga Springs community, our experience in administering public funds responsibly, and our ability to produce the high priority outcomes desired demonstrate our ability to restore and continue the Homelessness Prevention Project.

C. HPP staff include:

- Stuart Kaufman - \$12,308, 16.3% FTE Staff Attorney (or about six hours per week)
- Mary Withington - .3% FTE Supervising Attorney (or about one hour per week)
- Julie Casner - .3% FTE Legal Secretary (or about one hour per week)

The CDBG staff attorney is Stuart Kaufman, who has been with the Legal Aid Society since 2006. The Supervising Attorney will monitor the quarterly statistics to enable us to gauge the quantity of client services and the level of services being provided. Financial management is performed by Lillian M. Moy, Executive Director and Shamim Huq, Fiscal Director, both of whom have extensive experience in

program and financial management.

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

3. ACTIVITY BUDGET

A. See Attached.

B. If fully funded, substantial leveraging of 25% is pledged through Judiciary Civil Legal Services (JCLS) funding. JCLS funds are received to fund legal services to income-eligible clients. Services are provided consistent with our primary federal funder, the Legal Services Corporation's requirements and restrictions.¹

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

(Attachment 1)

Program Operating Budget

Entitlement Grant + Leveraged Funds = Total Activity Cost)

	Entitlement Grant	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PERSONNEL				
Salaries	12,308	2,144	14,452	<i>Judiciary Civil Legal Services</i>
Fringe	3,692	643	4,335	<i>Judiciary Civil Legal Services</i>
Other (consultants, etc.)				
<i>Subtotal</i>	16,000	2,787	18,787	

OVERHEAD				
Advertising/Marketing	0	0	0	
Program Supplies	0	0	0	
Rent & Utilities	0	0	0	
Other - List below				
<i>Program costs – Library, telephone, misc.</i>	0	2,512	2,512	<i>Judiciary Civil Legal Services</i>
<i>Audit</i>	0	34	34	<i>Judiciary Civil Legal Services</i>
<i>Subtotal</i>	0	2,546	2,546	

TOTAL COST	16,000	5,333	21,333
-------------------	---------------	--------------	---------------

**Attachment to
Program Operating Budget**

Position	Salary	%Time on Grant	Project Cost	CDBG Funds	Match	% CDBG
Staff Attorney	80,471	16.3%	13,113	12,308	805	94%
Supv. Attorney	113,689	.3%	341		341	0%
Executive Director	183,626	.3%	551		551	0%
Fiscal Director	96,897	.3%	291		291	0%
Legal Secretary	51,842	.3%	156		156	0%
TOTAL SALARIES			14,452	12,308	2,144	94%
Fringe @ 30%			4,335	3,692	643	85%
PERSONNEL SUBTOTAL			18,787	16,000	2,787	
Program Costs*			2,512	0	2,512	0%
Audit			34	0	34	0%
NON-PERSONNEL SUBTOTAL			2,546	0	2,546	0%
TOTAL PROJECT COST			\$21,333	16,000	5,333	75%

***Program Costs:**

Space	754
Insurance	32
Library	107
Supplies	197
Travel	185
Training	133
Equip. Rental	183
Dues & Fees	93
Contract Svcs.	828

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2018 Program Year Funding --***

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

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
-- 2018 Program Year Funding --

LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK
BOARD OF DIRECTORS

PRESIDENT

Sanjeeve K. DeSoyza, Esq.

1ST VICE PRESIDENT

Matthew Barry, Esq.

2ND VICE PRESIDENT

Ben Fishman

TREASURER

William Nolan, Esq.

SECRETARY

JonDavid DeLong, Esq.

MEMBERS

Robin Adams
Karla Buettner, Esq.
Jasmine Cenicerros
Susan Christopher
David Cost, Esq.
Elizabeth Dias
James Fleury
James Hacker, Esq.
Jean Mahserjian, Esq.
Victor Mazzotti, Esq.
Christopher Nye, Esq.
Nicholas Pignone, Esq.
Patricia L.R. Rodriguez, Esq.
Mark Schneider, Esq.
Bethany Schumann-McGhee, Esq.
Tracyjo Szepessy
Jenifer Wharton, Esq.
Michelle Wilbur

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2018 Program Year Funding --***

**Attachment B
Evidence of Match Funds**



NEW YORK STATE
Unified Court System

OFFICE OF COURT ADMINISTRATION

RONALD P. YOUNKINS, ESQ.
EXECUTIVE DIRECTOR

BARRY R. CLARKE, ESQ.
CHIEF OF OPERATIONS

DANIEL M. WEITZ, ESQ.
DIRECTOR, DIVISION OF PROFESSIONAL AND COURT SERVICES

FRANK WOODS
SENIOR COORDINATOR, GRANTS AND CONTRACTS

May 5, 2017

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

Re: Agreement between the Unified Court System of the State of New York and Legal Aid Society of Northeastern New York, Contract Number: C250512.

Dear Ms. Moy:

This letter shall serve to establish a new period, April 1, 2017 - March 31, 2018, in the above referenced contract. The maximum UCS compensation available for the period is \$4,583,213. This allocation includes \$136,584.00 in Albany County.

We received your expense budget based on the UCS allocation for 2017-18, please submit a revised expense budget on SharePoint as soon as possible and by no later than May 19, 2017. The budget review process must be completed before any reimbursement payments may be made. Upon approval, the budget will be incorporated into the above referenced contract as Appendix B.

If you have any questions or need technical assistance please contact Monique Taylor at mocolema@nycourts.gov or (212) 428-2522.

Sincerely,

Frank Woods

Cc: Amelia Hershberger
Monique Taylor

**APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
ENTITLEMENT PROGRAM
*-- 2018 Program Year Funding --***

**Attachment C
2016 Financial Audit & A-133 Audit**

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

***FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015***

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Cash Flows	6
Statements of Functional Expenses	7-8
Notes to Financial Statements	9-15
Other Financial Information	
Schedule of Support, Revenue, Expenses and Changes in Net Assets	16
Additional Reports Required by <i>Government Auditing Standards</i> and by the Uniform Guidance	
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 <i>Government Auditing Standards</i>	17-18
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	19-20
Schedule of Expenditures of Federal Awards	21
Notes to Schedule of Expenditures of Federal Awards	22-23
Schedule of Findings and Questioned Costs	24

CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM
WWW.CUSACKCPAS.COM

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Legal Aid Society of Northeastern New York, Inc. (a nonprofit organization), LSC Recipient 233010, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Legal Aid Society of Northeastern New York, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support, revenue, expenses and changes in net assets on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of expenditures of federal awards on page 21 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2017 on our consideration of The Legal Aid Society of Northeastern New York, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Legal Aid Society of Northeastern New York, Inc.'s internal control over financial reporting and compliance.

The audit partner responsible for the 2016 and 2015 audits of The Legal Aid Society of Northeastern New York, Inc., LSC Recipient 233010, is John A. Criscone, CPA. The employer ID# for Cusack & Company, CPA's LLC is 14-1800427.



CUSACK & COMPANY, CPA'S, LLC

Latham, New York
April 19, 2017

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and Cash Equivalents	\$ 931,221	\$ 860,372
Client Escrow Funds	40,392	38,523
Grants and Accounts Receivable, Net of Allowance	1,424,638	1,674,085
Promises to Give, Net of Allowance	246,323	214,192
Prepaid and Other Current Assets	<u>74,084</u>	<u>66,458</u>
Total Current Assets	<u>2,716,658</u>	<u>2,853,630</u>
Property		
Land, Building and Equipment, at Cost	2,647,770	2,424,147
Less: Accumulated Depreciation	<u>(1,312,795)</u>	<u>(1,174,500)</u>
Total Property, Net	<u>1,334,975</u>	<u>1,249,647</u>
Other Assets		
Endowment Funds	225,104	209,849
Tuition Loan Program	85,411	87,081
Security Deposits	<u>1,640</u>	<u>1,640</u>
Total Other Assets	<u>312,155</u>	<u>298,570</u>
Total Assets	<u>\$ 4,363,788</u>	<u>\$ 4,401,847</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Line of Credit Payable	\$ 620,000	\$ 620,000
Current Portion of Long-term Debt	40,417	38,396
Accounts Payable	259,567	248,855
Accrued Expenses	621,216	517,191
Client Trust Deposits	40,169	38,523
Deferred Revenue	<u>121,431</u>	<u>92,893</u>
Total Current Liabilities	1,702,800	1,555,858
Noncurrent Liabilities		
Long-term Debt, Net of Current Portion	<u>405,536</u>	<u>446,014</u>
Total Liabilities	<u>2,108,336</u>	<u>2,001,872</u>
Net Assets		
Unrestricted	1,661,762	1,939,102
Temporarily Restricted	<u>593,690</u>	<u>460,873</u>
Total Net Assets	<u>2,255,452</u>	<u>2,399,975</u>
Total Liabilities and Net Assets	<u>\$ 4,363,788</u>	<u>\$ 4,401,847</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,272,200	\$ 1,272,200
LSC Pro Bono Innovation Grant	-	146,935	146,935
Equal Justice Works (LSC Pass Through)	-	4,000	4,000
Legal Assistance of Western NY (PBIF LSC Pass Through)	-	21,490	21,490
Disability Advocacy Program	-	532,444	532,444
Interest on Lawyers Account	-	992,500	992,500
Community Development Block Grants	-	3,750	3,750
Contributions, Fund Raising & Donated Services	253,743	-	253,743
Interest Income	534	8,722	9,256
Unrealized Gain on Endowment Fund	-	10,473	10,473
DCJS Legislative Item	-	5,000	5,000
Senior Legal Services/Office for the Aging	-	109,174	109,174
STOP Grants	-	115,864	115,864
Legal Aid Society Homelessness Unit	-	30,451	30,451
Miscellaneous	61,855	76,572	138,427
Bad Debt Recoveries	9,788	-	9,788
Other Local Grants	-	249,190	249,190
Division of Criminal Justice Services (DCJS)	-	108,163	108,163
Nutrition Consortium	-	316,584	316,584
Domestic Violence Legal Assistance Program	-	194,648	194,648
NYS Solutions to End Homelessness	-	368,519	368,519
AG Homeowner Protection Program (HOPP)	-	368,168	368,168
NYS Judiciary CLS	-	3,975,410	3,975,410
Low Income Taxpayer Clinic Program	-	97,671	97,671
Emergency Shelter Grants	-	71,789	71,789
SCAP/SAMHSA	-	2,194	2,194
Juvenile Reentry Assistance Program (JRAP)	-	24,305	24,305
Net Assets Released from Restrictions	<u>8,973,399</u>	<u>(8,973,399)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	<u>9,299,319</u>	<u>132,817</u>	<u>9,432,136</u>
Expenses			
Legal Services	8,803,515	-	8,803,515
Management and General	537,086	-	537,086
Fund Raising	<u>236,058</u>	<u>-</u>	<u>236,058</u>
Total Expenses	<u>9,576,659</u>	<u>-</u>	<u>9,576,659</u>
Increase, (Decrease) in Net Assets	(277,340)	132,817	(144,523)
Net Assets, Beginning of Year	<u>1,939,102</u>	<u>460,873</u>	<u>2,399,975</u>
Net Assets, End of Year	<u>\$ 1,661,762</u>	<u>\$ 593,690</u>	<u>\$ 2,255,452</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Legal Services Corporation	\$ -	\$ 1,235,643	\$ 1,235,643
LSC Pro Bono Innovation Grant	-	60,000	60,000
Legal Assistance of Western NY (PBIF LSC Pass Through)	-	8,596	8,596
Disability Advocacy Program	-	597,541	597,541
Interest on Lawyers Account	-	989,375	989,375
Community Development Block Grants	-	7,974	7,974
Contributions, Fund Raising & Donated Services	275,344	-	275,344
Interest Income	374	4,208	4,582
Unrealized Loss on Endowment Fund	-	(10,724)	(10,724)
DCJS Legislative Item	-	35,811	35,811
Senior Legal Services/Office for the Aging	-	98,776	98,776
STOP Grants	-	97,690	97,690
Legal Aid Society Homelessness Unit	-	26,693	26,693
Miscellaneous	88,578	95,821	184,399
Bad Debt Recoveries	35,034	-	35,034
Other Local Grants	-	183,312	183,312
Division of Criminal Justice Services (DCJS)	-	104,257	104,257
Nutrition Consortium	-	319,075	319,075
Domestic Violence Legal Assistance Program	-	83,471	83,471
NYS Solutions to End Homelessness	-	370,282	370,282
AG Homeowner Protection Program (HOPP)	-	390,380	390,380
NYS Judiciary CLS	-	3,107,882	3,107,882
Low Income Taxpayer Clinic Program	-	90,000	90,000
Emergency Shelter Grants	-	73,173	73,173
Net Assets Released from Restrictions	8,022,786	(8,022,786)	-
Total Support, Revenue and Reclassifications	<u>8,422,116</u>	<u>(53,550)</u>	<u>8,368,566</u>
Expenses			
Legal Services	7,581,002	-	7,581,002
Management and General	388,498	-	388,498
Fund Raising	195,196	-	195,196
Total Expenses	<u>8,164,696</u>	<u>-</u>	<u>8,164,696</u>
Increase (Decrease) in Net Assets	257,420	(53,550)	203,870
Net Assets, Beginning of Year	<u>1,681,682</u>	<u>514,423</u>	<u>2,196,105</u>
Net Assets, End of Year	<u>\$ 1,939,102</u>	<u>\$ 460,873</u>	<u>\$ 2,399,975</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Change in Net Assets	\$ (144,523)	\$ 203,870
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	138,295	117,062
Bad Debt Expense, Grants	-	15,056
Bad Debt Recoveries, Promises to Give	(9,788)	(35,034)
Unrealized (Gain) Loss on Endowment Funds	(10,473)	10,724
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Assets		
Promises to Give	(22,343)	(31,459)
Grants and Accounts Receivable	249,447	(350,475)
Prepaid and Other Current Assets	(7,626)	(1,440)
Endowment Fund	(4,782)	(757)
Tuition Loan Program	1,670	(25,405)
Increase (Decrease) in Liabilities		
Accounts Payable	10,712	82,485
Accrued Expenses	104,025	54,685
Deferred Revenues	<u>28,538</u>	<u>(15,717)</u>
Net Cash Provided By Operating Activities	333,152	23,595
Cash Flow Used In Investing Activities:		
Purchase of Land, Building and Equipment	(223,846)	(52,741)
Cash Flow Used In Financing Activities:		
Payments on Mortgages Payable	<u>(38,457)</u>	<u>(36,547)</u>
Increase (Decrease) in Cash	70,849	(65,693)
Cash, Beginning of Year	<u>860,372</u>	<u>926,065</u>
Cash, End of Year	<u>\$ 931,221</u>	<u>\$ 860,372</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	<u>\$ 52,017</u>	<u>\$ 48,138</u>

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Legal Services					Supporting Services			Total Expenses
	Private Attorney Involvement	Pro Bono Innovation	PBIF	General Client	Total	Management and General	Fund Raising	Total	
Expenses									
Salaries and Wages									
Lawyers	\$ 52,269	\$ 29,809	\$ 30,551	\$ 3,765,914	\$ 3,878,543	\$ 44,067	\$ 7,363	\$ 51,430	\$ 3,929,973
Non-Lawyers	56,074	9	29,355	1,267,318	1,352,756	333,600	98,862	432,462	1,785,218
Employee Benefits	40,108	11,447	24,591	1,895,959	1,972,105	110,955	32,653	143,608	2,115,713
Contract Services	10,513	1,302	65,977	334,760	412,552	12,643	47,028	59,671	472,223
Audit and Accounting	451	133	286	21,273	22,143	1,288	379	1,667	23,810
Travel and Training	433	105	5,565	219,698	225,801	4,184	2,693	6,877	232,678
Occupancy	2,888	784	1,684	137,172	142,528	7,597	2,236	9,833	152,361
Repairs and Maintenance	786	173	371	37,969	39,299	1,674	493	2,167	41,466
Office Expense	153	748	1,682	161,742	164,325	8,457	8,460	16,917	181,242
Telephone	2,120	270	580	59,979	62,949	2,617	1,312	3,929	66,878
Library	1,840	406	873	92,784	95,903	208	954	1,162	97,065
Insurance	637	195	418	31,164	32,414	936	275	1,211	33,625
Professional Dues	-	-	226	42,274	42,500	3	796	799	43,299
Equipment Rental and Maintenance	-	412	885	110,036	111,333	3,995	1,177	5,172	116,505
Depreciation	-	-	-	138,295	138,295	-	-	-	138,295
Litigation	3,112	21	266	22,105	25,504	200	59	259	25,763
Interest and Bank Charges	-	-	-	47,940	47,940	-	4,077	4,077	52,017
Other Expense	2,602	89	195	33,739	36,625	4,662	27,241	31,903	68,528
Total Expenses	\$ 173,986	\$ 45,903	\$ 163,505	\$ 8,420,121	\$ 8,803,515	\$ 537,086	\$ 236,058	\$ 773,144	\$ 9,576,659

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Legal Services					Supporting Services			Total Expenses
	Private Attorney Involvement	Pro Bono Innovation	PBIF	General Client	Total	Management and General	Fund Raising	Total	
Expenses									
Salaries and Wages									
Lawyers	\$ 52,072	\$ 26,609	\$ 1,078	\$ 3,237,622	\$ 3,317,381	\$ 31,316	\$ 3,286	\$ 34,602	\$ 3,351,983
Non-Lawyers	70,724	9	-	1,129,079	1,199,812	234,908	84,957	319,865	1,519,677
Employee Benefits	46,369	11,287	337	1,668,507	1,726,500	83,859	29,241	113,100	1,839,600
Contract Services	9,059	836	60,025	201,467	271,387	6,208	34,967	41,175	312,562
Audit and Accounting	556	138	4	19,982	20,680	1,023	357	1,380	22,060
Travel and Training	3,325	64	2	210,300	213,691	9,437	2,921	12,358	226,049
Occupancy	3,317	822	25	119,210	123,374	6,106	2,129	8,235	131,609
Repairs and Maintenance	722	148	4	21,408	22,282	1,103	5,241	6,344	28,626
Office Expense	2,470	757	23	129,576	132,826	6,325	6,303	12,628	145,454
Telephone	2,610	402	12	61,481	64,505	2,985	1,579	4,564	69,069
Library	2,293	501	14	87,858	90,666	42	257	299	90,965
Insurance	834	215	6	31,194	32,249	606	211	817	33,066
Professional Dues	390	515	-	46,364	47,269	450	875	1,325	48,594
Equipment Rental and Maintenance	698	354	11	54,182	55,245	2,629	916	3,545	58,790
Depreciation	-	-	-	117,062	117,062	-	-	-	117,062
Litigation	1,389	27	1	15,901	17,318	197	110	307	17,625
Interest and Bank Charges	-	-	-	48,094	48,094	-	3,495	3,495	51,589
Bad Debt Expense	-	-	-	15,056	15,056	-	-	-	15,056
Other Expense	877	71	2	64,655	65,605	1,304	18,351	19,655	85,260
Total Expenses	\$ 197,705	\$ 42,755	\$ 61,544	\$ 7,278,998	\$ 7,581,002	\$ 388,498	\$ 195,196	\$ 583,694	\$ 8,164,696

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The Legal Aid Society of Northeastern New York, Inc. (the "Society") is a nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in Albany, New York and the surrounding sixteen county area. The Society is primarily funded through grants from the Legal Services Corporation (LSC), a nonprofit corporation established by Congress to administer a national legal assistance program. Approximately 15.3% and 15.7% of the Society's support for the years ended December 31, 2016 and 2015, respectively, was provided by LSC.

Basis of Accounting and Reporting

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

Support and Revenue

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

The Society recognizes grant funds from LSC and other grantor agencies as support on a straight-line basis over the grant period. Revenue which has been recognized but is unexpended at the end of an accounting period is recorded in the Society's net assets as temporarily restricted. Grant monies that have been received, but have not been recognized as revenue, are recorded as deferred revenues. In accordance with a general LSC policy, the Society may use unspent monies in future periods as long as expenses incurred are in compliance with the specified terms of the LSC grant. LSC may, at its discretion, request reimbursement for expenses or return of unexpended monies, or both, as a result of noncompliance by the Society with the terms of the grant. In addition, if the Society terminates its LSC grant activities, all unexpended monies are to be returned to LSC.

The Society reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (Continued)

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Society reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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

Property

Land, building and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Society has a capitalization policy of \$5,000.

Expense Allocation

The expense allocation charged to a particular funding source is based on time spent on each program for salary expense and is based on similar allocation methods for all other expenses.

Contributions

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

Income Taxes

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

Donated Materials and Services

Donated materials and services are recorded at their fair value in accordance with the provisions of the Accounting Standards Codification ("ASC").

Estimates

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain 2015 financial statement amounts have been reclassified to conform to 2016 financial statement presentation.

Fair Value

The ASC requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the Society would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Accounting for Uncertainty in Income Taxes

The ASC requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The Society has not recognized any benefits or liabilities from uncertain tax positions in 2016 and believes it has no uncertain tax positions for which it is reasonably possible that will significantly increase or decrease net assets. Generally, federal and state authorities may examine the Society's tax returns for three years from the date of filing; consequently, income tax returns for years prior to 2013 are no longer subject to examination by tax authorities.

Subsequent Events

The Society has adopted the ASC, *Subsequent Events*, which establishes general standards of accounting for, and disclosure of, events that occur after the date of the financial statements but before the financial statements are issued or are available to be issued. In the preparation of these financial statements and notes thereto, management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through April 19, 2017, the date the financial statements were available to be issued. As of this date, the Society has placed its Albany, NY office up for sale and is contemplating purchasing a new building in Albany, NY. No documents have been executed for either the sale or purchase as of the date of this audit report.

2. CLIENT ESCROW FUNDS

Cash deposits received from clients are maintained in escrow accounts, which primarily represent anticipated rent and court costs to be paid by the client.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

3. GRANTS AND ACCOUNTS RECEIVABLE

At December 31, 2016 and 2015, grants and accounts receivable were comprised of the following funding sources:

	<u>2016</u>	<u>2015</u>
Albany County Department of Social Services (STEHP)	\$ 18,343	\$ 16,299
Albany Housing Authority	24,305	-
Albany Law School	22,070	24,351
CARES, Inc.	19,519	836
City of Saratoga	12,920	1,875
City of Troy	5,421	499
Community Service Society of New York	24,132	-
County of Albany	6,506	15,038
County of Clinton	1,627	639
County of Fulton	1,205	-
County of Rensselaer	1,667	2,500
County of Warren	77,827	55,446
County of Washington	3,000	3,000
Joseph's Housing and Shelter	866	866
Legal Assistance of Western New York	12,894	-
Low Income Taxpayer Clinic	46,975	48,925
Miscellaneous Receivables	650	30,972
Nutrition Consortium	150,279	129,479
NYS Division of Criminal Justice	47,415	53,428
Office of Justice Program	38,835	39,615
Schenectady Community Action Program	22,273	58,511
St. Lawrence Office of the Aging	385	256
St. Regis Mohawk Indian Tribe	4,050	877
State of New York	866,160	1,183,992
United States Department of Housing and Urban Development	15,314	6,681
	<u>\$ 1,424,638</u>	<u>\$ 1,674,085</u>

4. PROMISES TO GIVE

At December 31, 2016 and 2015, the Society had \$283,284 and \$260,941, respectively, of unconditional promises receivable, all due within one year. The Society uses the allowance method to determine uncollectible unconditional promises. An allowance for uncollectible amounts of \$36,961 and \$46,749 at December 31, 2016 and 2015, respectively, has been provided based on historical experience and management's analysis of specific promises made and must be subtracted from the above to arrive at the net receivable amounts.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

5. PROPERTY

Land, building and equipment at December 31, 2016 and 2015 consists of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ 181,600	\$ 181,600
Building	1,105,702	1,105,702
Building Improvements	575,763	485,052
Equipment, Furniture and Fixtures	742,632	609,720
Law Library	<u>42,073</u>	<u>42,073</u>
Total at Cost	2,647,770	2,424,147
Less: Accumulated Depreciation	<u>(1,312,795)</u>	<u>(1,174,500)</u>
Total Land, Building and Equipment, Net	<u>\$ 1,334,975</u>	<u>\$ 1,249,647</u>

The Society had \$223,846 and \$52,741 in additions for the years ended December 31, 2016 and 2015, respectively, of which no purchases were made with monies provided by LSC. The net book value of the LSC equipment is \$79,059 and \$112,507 at December 31, 2016 and 2015, respectively. Total depreciation expense was \$138,295 and \$117,062 for the years ended December 31, 2016 and 2015, respectively.

6. ENDOWMENT FUNDS

In 2007, the Society entered into an endowment agreement with the Community Foundation for the Capital Region (the "Foundation"), a non-affiliated nonprofit organization, with the intent of raising money from legacies. The money in the fund is the property of the Foundation until directed by the Society to expend the monies consistent with its charitable status. This money is considered temporarily restricted for financial statement purposes. The 2016 and 2015 detail of activity from this fund is as follows:

	<u>2016</u>	<u>2015</u>
Endowment Net Assets, Beginning of Year	\$ <u>209,849</u>	\$ <u>219,816</u>
Investment Income	8,722	4,208
Unrealized Gain (Loss)	10,473	(10,724)
Fees	<u>(3,940)</u>	<u>(3,451)</u>
Total Change in Endowment Funds	<u>15,255</u>	<u>(9,967)</u>
Endowment Net Assets, End of Year	<u>\$ 225,104</u>	<u>\$ 209,849</u>

Details as to the specific investments comprising this endowment fund are maintained by the Foundation.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

7. LINE OF CREDIT PAYABLE

The Society has a \$700,000 revolving demand line of credit available with a bank, of which \$620,000 was outstanding at both December 31, 2016 and 2015. The line of credit bears interest at .45% percent above the bank's prime rate (4.2% at December 31, 2016) and is collateralized by the Society's accounts receivable and other assets. There is no set expiration date for this line of credit.

8. LONG-TERM DEBT

Long-term debt at December 31, 2016 and 2015 consists of the following:

	<u>2016</u>	<u>2015</u>
Mortgage payable to bank in monthly installments of \$4,948 with interest at 4.85%, due in February 2029, collateralized by real estate in Saratoga Springs, NY.	\$ 413,992	\$ 438,221
Mortgage payable to bank in monthly installments of \$1,369 with interest at 5.0%, due in December 2018, collateralized by real estate in Albany, NY.	<u>31,961</u>	<u>46,189</u>
Total	445,953	484,410
Less: Current Portion	<u>(40,417)</u>	<u>(38,396)</u>
	<u>\$ 405,536</u>	<u>\$ 446,014</u>

Current maturities of long-term debt are as follows:

2017	\$ 40,417
2018	42,473
2019	29,488
2020	29,500
2021	31,030
Thereafter	<u>273,045</u>
	<u>\$ 445,953</u>

9. NET ASSETS

The Society is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Society has no permanently restricted net assets at December 2016 and 2015. The following is additional detail as to the components of the Society's classes of net assets at December 31, 2016 and 2015:

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

9. NET ASSETS (CONTINUED)

	<u>2016</u>	<u>2015</u>
Unrestricted Net Assets:		
Property, Net of Debt	\$ 648,053	\$ 637,776
Fund Raising	1,365,592	1,511,175
Other Deficit	<u>(351,883)</u>	<u>(209,849)</u>
Total Unrestricted Net Assets	<u>1,661,762</u>	<u>1,939,102</u>
Temporarily Restricted Net Assets:		
Fund Raising - Endowment Fund	225,104	209,849
Legal Services Corporation - Cash	127,620	123,566
Legal Services Corporation - Property	79,059	112,507
Judiciary Civil Legal Services - Property	<u>161,907</u>	<u>14,951</u>
Total Temporarily Restricted Net Assets	<u>593,690</u>	<u>460,873</u>
Total Net Assets	<u>\$ 2,255,452</u>	<u>\$ 2,399,975</u>

10. LEASE COMMITMENTS

The Society has three noncancellable operating lease agreements, absent significant defunding which would allow early termination, for the rental of office space in Albany, Canton and Amsterdam, New York expiring October 2017, February 2020 and June 2018, respectively. Total rent expense was \$72,661 and \$57,559 for the years ended December 31, 2016 and 2015, respectively, and is included in occupancy expense.

The Society has leases for multiple photocopiers at various locations for an aggregate monthly rent of \$936 expiring through December 2020. Total rent expense was \$11,655 and \$12,547 for the years ended December 31, 2016 and 2015, respectively, and is included in equipment rental and maintenance expense.

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

2017	\$ 89,024
2018	37,879
2019	23,698
2020	<u>5,948</u>
	<u>\$ 156,549</u>

11. EMPLOYEE BENEFITS

Under a collective bargaining agreement between the Society and Consolidated Legal Aid Workers, the Society may contribute an amount up to 5% of certain eligible employees' compensation earned during the year to separate annuity contracts in the name of each employee to provide benefits at retirement. By agreement of the parties, there was \$154,801 and \$133,688 contributed for the years ended December 31, 2016 and 2015, respectively, which represents a graduated contribution up to 5%.

OTHER FINANCIAL INFORMATION

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Legal Services Corporation	Homeless Prevention	Disability and Protection Advocacy	Interest on Lawyers Account	JCLS	LITC	Domestic Violence	Senior Legal Services	HIV/AIDS Programs	Pro Bono Innovation	PBIF	Other	Property	Management and General	Fund Raising	Total
Support and Revenue																
Contracts and Grants	\$ 1,276,200	\$ 861,222	\$ 532,444	\$ 992,500	\$ 3,975,410	\$ 97,671	\$ 374,011	\$ 109,174	\$ 76,572	\$ 21,490	\$ 146,935	\$ 614,711	\$ -	\$ 12,920	\$ -	\$ 9,091,260
Contributions, Fundraising and Donated Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	253,743	253,743
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,256	9,256
Miscellaneous	210	-	35,470	-	-	-	-	-	-	-	-	-	-	21,933	20,264	77,877
Total Support and Revenue	1,276,410	861,222	567,914	992,500	3,975,410	97,671	374,011	109,174	76,572	21,490	146,935	614,711	-	34,853	283,263	9,432,136
Expenses																
Salaries and Wages																
Lawyers	258,299	632,252	353,766	358,418	1,537,842	119,176	275,995	70,974	61,924	29,809	30,551	149,537	-	44,067	7,363	3,929,973
Paralegals	4,679	97,261	52,333	2,174	244,715	-	83	17,696	-	9	1,238	293,120	-	768	-	714,076
Other Staff	10,712	23,535	3,737	4,814	555,485	12,110	402	201	129	-	28,117	206	-	332,832	98,862	1,071,142
Employee Benefits	82,801	268,692	132,846	155,412	894,087	55,001	90,136	30,456	24,255	11,447	24,591	202,379	-	110,955	32,653	2,115,711
Contract Services - Clients	-	63,453	-	-	-	-	44,995	-	-	-	-	-	-	-	300	108,748
Contract Services - Program	14,033	42,453	15,115	12,535	105,015	6,670	10,791	3,610	2,861	1,302	65,977	23,742	-	12,643	46,728	363,475
Audit and Accounting	958	3,120	1,543	1,049	10,383	639	1,047	354	282	133	286	2,349	-	1,288	379	23,810
Travel	7,628	18,349	7,137	18,046	46,898	5,363	7,108	2,972	836	74	3,739	8,903	-	3,888	1,522	132,463
Training	1,396	875	611	61,102	29,569	888	1,473	81	65	31	1,826	831	-	296	1,171	100,215
Occupancy	5,649	18,397	9,096	6,186	73,194	3,766	6,171	2,085	1,661	784	1,684	13,855	-	7,597	2,236	152,361
Repairs and Maintenance	1,245	4,054	2,004	1,363	24,021	830	1,360	460	366	173	371	3,052	-	1,674	493	41,466
Office Expense	5,642	17,648	8,682	7,105	92,598	4,979	7,988	2,318	1,585	748	1,682	13,350	-	8,457	8,460	181,242
Telephone	2,814	6,487	3,133	2,131	37,406	1,297	2,126	718	572	270	580	5,415	-	2,617	1,312	66,878
Library	2,930	9,509	4,717	3,863	55,816	5,459	3,201	1,081	861	406	873	7,187	-	208	954	97,065
Insurance	1,404	4,563	2,260	1,519	15,212	936	1,534	518	413	195	418	3,442	-	936	275	33,625
Professional Dues	9,000	7	3	32,843	412	1	2	1	1	-	226	4	-	3	796	43,299
Equipment Rental and Maintenance	2,970	9,674	4,783	3,253	74,874	1,980	3,245	1,097	873	412	885	7,287	-	3,995	1,177	116,505
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	138,295	-	-	138,295
Litigation	3,261	1,889	2,030	138	12,828	988	2,639	37	128	21	266	1,279	-	200	59	25,763
Interest and Bank Charges	-	-	-	47,940	-	-	-	-	-	-	-	-	-	-	4,077	52,017
Bad Debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expense	3,314	2,325	1,050	14,800	7,282	437	2,740	242	191	89	195	3,962	-	4,662	27,241	68,530
Total Expenses	418,735	1,224,543	604,846	734,691	3,187,637	220,520	463,036	134,901	97,003	45,903	163,505	739,900	138,295	537,086	236,058	9,576,659
Increase (Decrease) of Support and Revenue Over Expenses before Administrative and Overhead Allocations	857,675	(363,321)	(36,932)	257,809	157,773	(122,849)	(89,025)	(25,727)	(20,431)	(24,413)	(16,570)	(125,189)	(138,295)	(502,233)	47,205	(144,523)
Allocation of Administrative Costs	(21,733)	(59,799)	(32,545)	(107,403)	(185,661)	(10,425)	(21,955)	(7,057)	(4,928)	(2,368)	(4,757)	(35,167)	-	502,233	(8,435)	-
Reallocation of Reimbursed Costs for Matching Purposes	(831,888)	423,120	69,477	(126,177)	27,888	133,274	110,980	32,784	25,359	26,781	21,327	160,356	-	-	(73,281)	-
Other Changes in Net Assets - Acquisition of Property Debt Payments and Proceeds, Net	-	-	-	(24,229)	-	-	-	-	-	-	-	-	135,301	-	(111,072)	-
Net Assets, Beginning of Year	123,566	-	-	-	-	-	-	-	-	-	-	-	765,234	-	1,511,175	2,399,975
Net Assets, End of Year	\$ 127,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 762,240	\$ -	\$ 1,365,592	\$ 2,255,452

**ADDITIONAL REPORTS REQUIRED BY *GOVERNMENT*
AUDITING STANDARDS AND BY THE UNIFORM GUIDANCE**

CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM
WWW.CUSACKCPAS.COM

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Legal Aid Society of Northeastern New York, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, 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 April 19, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Legal Aid Society of Northeastern New York, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Legal Aid Society of Northeastern New York, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 19, 2017

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

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

Report on Compliance for Each Major Federal Program

We have audited The Legal Aid Society of Northeastern New York, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Legal Aid Society of Northeastern New York, Inc.'s major federal programs for the year ended December 31, 2016. The Legal Aid Society of Northeastern New York, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Legal Aid Society of Northeastern New York, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Legal Aid Society of Northeastern New York, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Legal Aid Society of Northeastern New York, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, The Legal Aid Society of Northeastern New York, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of The Legal Aid Society of Northeastern New York, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Legal Aid Society of Northeastern New York, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Legal Aid Society of Northeastern New York, Inc.'s internal control over compliance.

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

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

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



CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 19, 2017

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>LSC Recipient Number/ CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Disbursements/ Expenditures</u>
<u>Legal Services Corporation:</u>			
Legal Services Corporation - Basic Field Grant	09.233010	-	\$ 1,272,200
Legal Services Corporation - Pro Bono Innovation Fund (Pass - Through)	09.233010	16-0955954	21,490
Legal Services Corporation - Pro Bono Innovation Fund	09.233010	-	146,935
Legal Services Corporation - Equal Justice Works (Pass - Through)	09.233010	52-1469738	4,000
Total Legal Services Corporation			<u>1,444,625</u>
<u>U.S. Department of Agriculture:</u>			
Nutrition Consortium - Supplemental Nutrition Assistance Program (Pass - Through)	10.561	22-2954760	158,292
Total U.S. Department of Agriculture			<u>158,292</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Housing and Urban Development - Community Development Block Grant	14.218	-	3,750
Housing and Urban Development - Emergency Solutions Grant Programs - STEHP (Pass - Through)	14.231	14-1636163	368,519
Housing and Urban Development - Emergency Solutions Grant Programs (Pass - Through)	14.231	14-1636163	4,924
Housing and Urban Development - Emergency Solutions Grant Programs (Pass - Through)	14.231	14-1636163	37,957
Housing and Urban Development - Emergency Solutions Grant Programs	14.231	-	28,909
Housing and Urban Development - Legal Aid Society Homelessness Unit (Pass - Through)	14.235	14-1636163	30,451
Housing and Urban Development - Juvenile Reentry Assistance Program	14.897	-	24,305
Total U.S. Department of Housing and Urban Development			<u>498,815</u>
<u>U.S. Department of Justice:</u>			
Office of Justice Programs - Legal Assistance to Victims	16.524	-	194,647
Violence Against Women STOP Grant (Pass - Through)	16.588	14-6013200	115,864
Total U.S. Department of Justice			<u>310,511</u>
<u>U.S. Department of Health and Human Services:</u>			
Special Programs for the Aging (Pass - Through)	93.044	14-6013200	109,174
Substance Abuse and Mental Health Services (Pass - Through)	93.243	14-6034637	2,194
Total U.S. Department of Health and Human Services			<u>111,368</u>
<u>U.S. Department of the Treasury:</u>			
Low Income Taxpayer Clinics	21.008	-	97,670
Total U.S. Department of the Treasury			<u>97,670</u>
Total Expenditures of Federal Awards			<u>\$ 2,621,281</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying schedule of expenditures of federal awards presents all activity of all federal financial assistance programs of The Legal Aid Society of Northeastern New York, Inc., LSC Recipient 233010 (the "Society"), for the year ended December 31, 2016. The Society is described in Note 1 to the basic financial statements. Federal awards received directly from federal agencies as well as federal financial assistance, if any, passed through other government or not-for-profit agencies are included on the schedule. The information is presented in accordance with the requirements of the Uniform Guidance. All LSC awards received by the Society were considered major programs for the year ended December 31, 2016.

Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting used by the Society to report to the federal government.

Relationship to Financial Statements

Federal awards revenue are reported in the Society's financial statements as grant revenue. The Society's financial statements are presented using the accrual basis of accounting.

2. SCOPE OF THE AUDIT PURSUANT TO THE UNIFORM GUIDANCE

The Legal Aid Society of Northeastern New York, Inc. is a tax-exempt organization. All federal grant operations of the Society are included in the scope of the single audit.

3. LOAN OUTSTANDING

The Legal Aid Society of Northeastern New York, Inc. has no loan balances outstanding at December 31, 2016 in which the Society is a lender.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2016

4. SUBRECIPIENTS

The Legal Aid Society of Northeastern New York, Inc. provided federal awards to subrecipients as follows:

<u>Project Title</u>	<u>Federal CFDA/ LSC Recipient Numbers</u>	<u>Amount Provided</u>
Office of Justice Programs -Legal Assistance to Victims		
Legal Assistance to Victims Subrecipients:		
Catholic Charities of Schoharie County	16.524	\$ 5,000
Catholic Charities of Saratoga, Warren and Washington Counties	16.524	5,043
Catholic Charities of Fulton and Montgomery Counties	16.524	5,000
Behavioral Health Services North	16.524	3,506
St. Lawrence Valley Renewal House	16.524	5,214
Community Action of Greene County	16.524	5,005
Mechanicville Area Community Service Center	16.524	6,541
Wellspring, Inc.	16.524	5,042
Family Counseling Center of Fulton County	16.524	<u>1,069</u>
Total Office of Justice Programs		41,420
Legal Services Corporation - Pro Bono		
Innovation Funds (PBIF #15027)		
Volunteer Legal Services Program	09.233010	<u>32,045</u>
Total Federal Awards Provided to Subrecipients		<u>\$ 73,465</u>

5. INDIRECT COST RATE

The Society has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance. The Society's is set by the federal agencies.

THE LEGAL AID SOCIETY OF NORTHEASTERN NEW YORK, INC.

LSC RECIPIENT 233010

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.515(d)(2)? _____ yes X no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER(S)</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
09.233010	Legal Services Corporation - Albany

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings or matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or matters were reported.