

R E P O R T

SOUTHEAST LOUISIANA
LEGAL SERVICES CORPORATION

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022 AND 2021

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

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May 31, 2023

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, 2022 and 2021, 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, 2022 and 2021, 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.

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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 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 Statements 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 Statements 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, 2023, 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, Sharpness, Hogan and Baker, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 1,592,675 | \$ 2,792,131 |
| Cash in escrow - client deposits | 20,535 | 27,361 |
| Certificates of deposit | - | 56,610 |
| Grants and other receivables | 2,276,423 | 1,096,359 |
| Prepaid expenses and deposits | 187,757 | 173,295 |
| Other assets | <u>12,003</u> | <u>5,092</u> |
| Total current assets | 4,089,393 | 4,150,848 |
| OTHER ASSETS: | | |
| Operating lease right-of-use assets, net | <u>1,650,393</u> | - |
| Total other assets | <u>1,650,393</u> | - |
| PROPERTY AND EQUIPMENT - NET | <u>840,371</u> | <u>448,020</u> |
| TOTAL ASSETS | <u>\$ 6,580,157</u> | <u>\$ 4,598,868</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 236,327 | \$ 77,774 |
| Accrued taxes and expenses | 192,435 | 192,279 |
| Refundable advances | 1,764,628 | 1,915,192 |
| Current maturities of long-term debt | 32,308 | - |
| Client escrow funds | 20,535 | 27,361 |
| Operating lease right-of-use liabilities | <u>317,994</u> | - |
| Total current liabilities | <u>2,564,227</u> | <u>2,212,606</u> |
| LONG-TERM LIABILITIES: | | |
| Long-term debt, non-current portion | 315,046 | - |
| Operating lease right-of-use liabilities | 1,332,399 | - |
| Compensated absences | <u>485,648</u> | <u>435,303</u> |
| Total long-term liabilities | <u>2,133,093</u> | <u>435,303</u> |
| Total liabilities | <u>4,697,320</u> | <u>2,647,909</u> |
| NET ASSETS: | | |
| Without donor restrictions | 1,256,809 | 1,363,848 |
| With donor restrictions: | | |
| Other | 133,011 | 139,091 |
| Investment in fixed assets | <u>493,017</u> | <u>448,020</u> |
| Total net assets | <u>1,882,837</u> | <u>1,950,959</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 6,580,157</u> | <u>\$ 4,598,868</u> |

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| REVENUE AND SUPPORT: | | | |
| Grants and fees | \$ - | \$ 13,426,280 | \$ 13,426,280 |
| Interest | - | 1,499 | 1,499 |
| Donations | 140,181 | - | 140,181 |
| Other | 5,550 | - | 5,550 |
| Net assets released from donor restrictions | <u>13,388,862</u> | <u>(13,388,862)</u> | <u>-</u> |
| Total revenue and support | <u>13,534,593</u> | <u>38,917</u> | <u>13,573,510</u> |
| EXPENSES: | | | |
| Personnel: | | | |
| Salaries - lawyers | 5,702,011 | - | 5,702,011 |
| Salaries - non-lawyers | 2,378,949 | - | 2,378,949 |
| Fringe benefits | <u>2,168,038</u> | <u>-</u> | <u>2,168,038</u> |
| Total personnel expenses | 10,248,998 | - | 10,248,998 |
| Contract services | 702,207 | - | 702,207 |
| Travel and training | 265,937 | - | 265,937 |
| Space costs | 539,339 | - | 539,339 |
| Supplies | 139,717 | - | 139,717 |
| Equipment | 107,207 | - | 107,207 |
| Depreciation | 41,794 | - | 41,794 |
| Litigation | 100,036 | - | 100,036 |
| COVID-19 eviction rental assistance | 9,261 | - | 9,261 |
| Mortgage foreclosure assistance | 771,120 | - | 771,120 |
| Other | <u>716,016</u> | <u>-</u> | <u>716,016</u> |
| Total expenses | <u>13,641,632</u> | <u>-</u> | <u>13,641,632</u> |
| CHANGE IN NET ASSETS | (107,039) | 38,917 | (68,122) |
| NET ASSETS AT BEGINNING OF YEAR | <u>1,363,848</u> | <u>587,111</u> | <u>1,950,959</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 1,256,809</u> | <u>\$ 626,028</u> | <u>\$ 1,882,837</u> |

See accompanying notes.

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

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <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 | 8,227,608 | - | 8,227,608 |
| 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 |
| Mortgage foreclosure assistance | 10,439 | - | 10,439 |
| COVID-19 eviction rental 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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Legal Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|-------------------------------------|---------------------------|-----------------------------------|--------------------|---------------------|
| EXPENSES: | | | | |
| Personnel: | | | | |
| Salaries - lawyers | \$ 5,492,253 | \$ 175,738 | \$ 34,020 | \$ 5,702,011 |
| Salaries - non-lawyers | 1,759,196 | 568,364 | 51,389 | 2,378,949 |
| Fringe benefits | 1,936,363 | 208,761 | 22,914 | 2,168,038 |
| Total personnel expenses | <u>9,187,812</u> | <u>952,863</u> | <u>108,323</u> | <u>10,248,998</u> |
| Contract services | 694,204 | 7,211 | 792 | 702,207 |
| Travel and training | 237,519 | 25,607 | 2,811 | 265,937 |
| Space costs | 481,705 | 51,933 | 5,701 | 539,339 |
| Supplies | 124,787 | 13,453 | 1,477 | 139,717 |
| Equipment | 95,751 | 10,323 | 1,133 | 107,207 |
| Depreciation | 37,328 | 4,024 | 442 | 41,794 |
| Litigation | 100,036 | - | - | 100,036 |
| COVID-19 eviction rental assistance | 9,261 | - | - | 9,261 |
| Mortgage foreclosure assistance | 771,120 | - | - | 771,120 |
| Other | 655,585 | 54,454 | 5,977 | 716,016 |
| TOTAL EXPENSES | <u>\$12,395,108</u> | <u>\$ 1,119,868</u> | <u>\$ 126,656</u> | <u>\$13,641,632</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
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ (68,122) | \$ 49,097 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 41,794 | 51,267 |
| (Increase) decrease in operating assets: | | |
| Grants and other receivables | (1,180,064) | (84,294) |
| Prepaid expenses and deposits | (14,462) | (1,752) |
| Other assets | (6,911) | (5,092) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 158,553 | (9,965) |
| Accrued taxes and expenses | 156 | 60,971 |
| Refundable advances | (150,564) | 848,505 |
| Compensated absences | 50,345 | 40,062 |
| Client escrow funds | <u>(6,826)</u> | <u>(14,959)</u> |
| Net cash provided (used) by operating activities | <u>(1,176,101)</u> | <u>933,840</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisition of property and equipment | (63,345) | (9,410) |
| Proceeds from redemption of certificate of deposit | 56,610 | - |
| Reinvestment of interest | - | (181) |
| Net cash used by investing activities | <u>(6,735)</u> | <u>(9,591)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payment of long-term debt | <u>(23,446)</u> | <u>(52,261)</u> |
| Net cash used by financing activities | <u>(23,446)</u> | <u>(52,261)</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (1,206,282) | 871,988 |
| Cash, Cash Equivalents, and Restricted Cash - Beginning of Year | <u>2,819,492</u> | <u>1,947,504</u> |
| Cash, Cash Equivalents, and Restricted Cash - End of Year | <u>\$ 1,613,210</u> | <u>\$ 2,819,492</u> |
| Cash paid during the year for interest | <u>\$ 9,637</u> | <u>\$ 1,407</u> |
| Noncash financing and investing activity during the year for: | | |
| Acquisition of property through notes payable | <u>\$ 370,800</u> | <u>\$ -</u> |

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021, was \$111,473 and \$19,108, respectively.

New Accounting Pronouncement:

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases* (Topic 842) which supersedes existing guidance. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Most prominent among the changes in the standard is the recognition of right-of-use assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Corporation adopted the requirements of ASU 2016-02 effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Corporation has elected to adopt the package of practical expedients available in the year of adoption. As of the date of adoption, a cumulative-effect adjustment was not necessary as the standard had no impact on the classification of any of the Corporation's leases as of January 1, 2022. See below and Note 6 to the financial statements for additional information related to the Corporation's leases.

Leases

The Corporation leases certain office space and equipment. The Corporation determines if an agreement is a lease or contains a lease at the agreement's inception. Under Accounting Standards Codification 842, an agreement is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. The Corporation only reassesses its determination if the terms and conditions of the contract are changed.

Short-term leases, or leases with a term of twelve months or less, that do not contain a purchase option that is reasonably certain to be exercised, are expensed and not capitalized. Operating leases are included in operating lease right-of-use assets and operating lease right-of-use liabilities in the statement of financial position.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leases: (Continued)

Right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease right-of-use assets and the corresponding lease liabilities are recorded at the commencement date based on the present value of lease payments over the expected lease term. The Corporation uses the risk-free borrowing rate (U.S. Treasury Rate), available at lease commencement, to calculate the present value of the lease payments for its operating leases, unless there is a rate implicit in the lease. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The lease term for accounting purposes may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise the option.

Leases with a total contract value (the gross (undiscounted) aggregate value of fixed and fixed-in-substance cash flows over the term of the lease, including reasonably certain renewal periods) of \$5,000 or more are evaluated for lease reporting under the lease standard. Leases with a total contract value under \$5,000 are recorded in the same manner as a short-term lease with rent payments recorded as expense in the statement of activities as those payments are due based upon the terms of the lease.

2. CASH AND CASH EQUIVALENTS:

At December 31, 2022, the carrying amount of the Corporation's cash deposits was \$1,592,675 and the bank balance was \$1,802,690. 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. Balances for 2022 and 2021 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, 2022 and 2021, the carrying amount of Southeast Louisiana Legal Services Corporation's client deposits was \$20,535 and \$27,361, respectively. At December 31, 2022 and 2021, the bank balances of Southeast Louisiana Legal Services Corporation's client deposits were \$34,372 and \$37,588, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

| | Fair Value Measurement of | | |
|-------------------------|---------------------------|-------------------|------------------|
| | Reporting Date | | |
| | Quoted Prices In | Significant Other | Significant |
| | Active Markets for | Observable | Unobservable |
| | Identical Assets | Inputs | Inputs |
| | <u>(Level 1)</u> | <u>(Level 2)</u> | <u>(Level 3)</u> |
| Certificates of deposit | | | |
| December 31, 2022 | \$ - | \$ - | \$ - |
| December 31, 2021 | \$ 56,610 | \$ - | \$ - |

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, 2022:

| | Balance | Additions | Deletions | Balance | LSC | Non-LSC |
|--|------------|------------|-----------|------------|-----------|------------|
| | 01/01/22 | | | 12/31/2022 | | |
| Capital assets not being depreciated: | | | | | | |
| Land | \$ 59,200 | \$ - | \$ - | \$ 59,200 | \$ - | \$ 59,200 |
| Total capital assets not being depreciated | 59,200 | - | - | 59,200 | - | 59,200 |
| Capital assets being depreciated: | | | | | | |
| Building | 547,982 | 412,000 | - | 959,982 | - | 959,982 |
| Leasehold improvement | 46,767 | 6,420 | - | 53,187 | 46,768 | 6,419 |
| Equipment | 31,100 | 15,725 | - | 46,825 | 15,725 | 31,100 |
| Total capital assets being depreciated | 625,849 | 434,145 | - | 1,059,994 | 62,493 | 997,501 |
| Less: accumulated depreciation | (237,029) | (41,794) | - | (278,823) | (42,022) | (236,801) |
| Total capital assets, net | \$ 448,020 | \$ 392,351 | \$ - | \$ 840,371 | \$ 20,471 | \$ 819,900 |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

5. PROPERTY AND EQUIPMENT: (Continued)

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 | 59,200 | - | - | 59,200 | - | 59,200 |
| 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 | 616,439 | 9,410 | - | 625,849 | 46,767 | 579,082 |
| Less: accumulated depreciation | (185,762) | (51,267) | - | (237,029) | (31,063) | (205,966) |
| Total capital assets, net | <u>\$ 489,877</u> | <u>\$ (41,857)</u> | <u>\$ -</u> | <u>\$ 448,020</u> | <u>\$ 15,704</u> | <u>\$ 432,316</u> |

Depreciation expense for the years ended December 31, 2022 and 2021 was \$41,794 and \$51,267, respectively.

6. LEASES:

During the year ended December 31, 2022, the Corporation maintained several lease agreements for the rental of office space for its operations.

The Corporation maintains a long-term operating lease for its Covington, Louisiana office. The lease commenced on February 1, 2021, and terminates on January 31, 2026, with monthly expenses of \$2,500. There are no variable lease payments under this lease. At the end of the initial term, the Corporation has two options to renew this lease for two additional terms of five years each. The Corporation will have the option to terminate the lease in the event that the Corporation sees its federal funding from all sources decline over one third from its 2021 level. The Corporation is only able to exercise the termination option by certifying that it will not be opening a replacement office in St. Tammany Parish for at least twelve (12) months from the date that it relinquishes the leased premises. The lease agreement did not specify an explicit interest rate; therefore, the Corporation used the risk-free rate of 0.42% (U.S. Treasury Rate) that was available as of the lease commencement date to calculate the right-of-use asset and lease liability. Effective January 1, 2022, the Corporation recognized a right-of-use lease asset and a right-of-use lease liability of \$121,434 and \$121,434, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. LEASES: (Continued)

The Corporation maintains two long-term operating leases for multiple office suites (suites 520/525 and 135) at its Gretna, Louisiana office. The lease for suite 520/525 commenced on September 1, 2020, and terminates on November 30, 2025, with monthly expenses ranging from \$4,407 to \$4,690 as monthly rent increases throughout the agreement. There are no variable lease payments under this lease. At the end of the initial term, the Corporation has no option to renew this lease. There was no termination option noted in the lease, but in the event that the Corporation's federal funding is reduced by more than thirty-three percent (33%), the Corporation shall have the option to reduce the rentable square footage of the office space by no more than 35%. The lease agreement did not specify an explicit interest rate; therefore, the Corporation used the risk-free rate of 0.26% (U.S. Treasury Rate) that was available as of the lease commencement date to calculate the right-of-use asset and lease liability. Effective January 1, 2022, the Corporation recognized a right-of-use lease asset and a right-of-use lease liability of \$213,410 and \$213,410, respectively. The lease for suite 135 commenced on June 1, 2022, and terminates on May 31, 2025, with monthly expenses ranging from \$2,050 to \$2,153 as monthly rent increases throughout the agreement. There are no variable lease payments under this lease. At the end of the initial term, the Corporation has the option to renew the lease for one additional period through November 30, 2025, the same expiration date as the suite 520/525 lease agreement. There was no termination option noted in the lease. The lease agreement did not specify an explicit interest rate; therefore, the Corporation used the risk-free rate of 2.84% (U.S. Treasury Rate) that was available as of the lease commencement date to calculate the right-of-use asset and lease liability. Upon commencement of the lease, the right-of-use lease asset and the right-of-use lease liability were \$72,397 and \$72,397, respectively.

The Corporation maintains a long-term operating lease for its Houma, Louisiana office. The lease commenced on January 1, 2019, and terminates on December 31, 2023, with monthly expenses of \$1,705. There are no variable lease payments under this lease. At the end of the initial term, if the Corporation does not provide written notice of its intent to terminate the lease, the lease will automatically renew for a period of five years with a ten percent (10%) increase in net rent. The Corporation will have the option to terminate the lease should the Corporation lose its funding from the Terrebonne Parish Government or the Legal Services Corporation. The lease agreement did not specify an explicit interest rate; therefore, the Corporation used the risk-free rate of 2.51% (U.S. Treasury Rate) that was available as of the lease commencement date to calculate the right-of-use asset and lease liability. Effective January 1, 2022, the Corporation recognized a right-of-use lease asset and a right-of-use lease liability of \$39,869 and \$39,869, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. LEASES: (Continued)

The Corporation maintains three long-term operating leases for multiple office suites (Suites 600, 700, and 720) at its New Orleans, Louisiana office. The lease for suite 600 commenced on April 1, 2018, and was due to terminate on September 30, 2023, with monthly expenses ranging from \$13,980 to \$14,463 as monthly rent increased throughout the agreement. In October 2022, the suite 600 lease was amended and the term of the agreement was extended. The extension commences on October 1, 2023 and terminates on September 30, 2029, with monthly expenses ranging from \$15,547 to \$16,506 as monthly rent increases throughout the extension. There are no variable lease payments under this lease. At the end of the extended term, the Corporation has an option to renew the lease for one two-year period. There was no termination option noted in the lease, but in the event that the Corporation's federal funding is reduced by more than fifty percent (50%), the Corporation shall have the option to reduce the rentable square footage of the office space by 35%. The interest rate implicit in the lease agreement is the prime rate of Bank of America; therefore, the Corporation used the prime rate of Bank of America of 4.25% that was available as of the lease commencement date to calculate the right-of-use asset and lease liability. Effective January 1, 2022, the Corporation recognized a right-of-use lease asset and a right-of-use lease liability of \$1,241,946 and \$1,241,946, respectively.

The lease for suite 720 of the New Orleans, Louisiana office commenced on January 1, 2022, and was due to terminate on December 31, 2024, with monthly expenses ranging from \$4,830 to \$4,991 as monthly rent increased throughout the agreement. In October 2022, the suite 720 lease was amended and the term of the agreement was extended. The extension commences on January 1, 2025 and terminates on September 30, 2029, with monthly expenses of \$5,313 during the extension. There are no variable lease payments under this lease. At the end of the extended term, the Corporation has the option to extend the term of the lease to be coterminous with the suite 600 lease. The interest rate implicit in the lease agreement is the prime rate of Bank of America; therefore, the Corporation used the prime rate of Bank of America of 3.25% that was available as of the lease commencement date to calculate the right-of-use asset and lease liability. Effective January 1, 2022, the Corporation recognized a right-of-use lease asset and a right-of-use lease liability of \$224,073 and \$224,073, respectively.

During the year ended December 31, 2022, the Corporation entered into three lease agreements for copy machines. The leases commenced in September 2022, and terminate in September 2027 with monthly expenses of \$178 for each lease agreement. There are no variable lease payments under this lease, and the Corporation does not have any right to extend or terminate the lease. The lease agreement did not specify an implicit rate; therefore, the Corporation used the risk-free rate of 3.39% (U.S. Treasury Rate) that was available as of the lease commencement date to calculate the right-of-use assets and lease liabilities. Upon commencement of the leases, the right-of-use assets and lease liabilities were \$29,434 and \$29,434, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. LEASES: (Continued)

The following summarizes the line items in the statement of financial position for the operating leases as of December 31, 2022:

| <u>Leases</u> | <u>Classification</u> | <u>Amount</u> |
|---------------|---|---------------------|
| Assets: | | |
| Operating | Right-of-use assets - office leases | \$ 1,622,771 |
| | Right-of-use assets - equipment | <u>27,622</u> |
| | | <u>\$ 1,650,393</u> |
| Liabilities: | | |
| Current: | | |
| Operating | Operating lease liability - office leases | \$ 312,437 |
| | Operating lease liability - equipment | <u>5,557</u> |
| | | <u>\$ 317,994</u> |
| Non-current: | | |
| Operating | Operating lease liability - office leases | \$ 1,310,334 |
| | Operating lease liability - equipment | <u>22,065</u> |
| | | <u>\$ 1,332,399</u> |

As of December 31, 2022, the weighted average remaining lease terms and weighted average discount rate is 5.68 years and 3.02%, respectively.

The maturities of lease liabilities as of December 31, 2022, are as follows:

| <u>Year</u> | <u>Lease</u> |
|------------------------------------|---------------------|
| <u>Ended</u> | <u>Obligation</u> |
| 2023 | \$ 371,055 |
| 2024 | 363,577 |
| 2025 | 354,376 |
| 2026 | 201,225 |
| 2027 | 202,347 |
| Thereafter | <u>346,631</u> |
| Total Lease Payments | 1,839,211 |
| Less: interest | <u>(188,818)</u> |
| Present Value of Lease Liabilities | <u>\$ 1,650,393</u> |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. LEASES: (Continued)

The following summarizes the line items in the statement of activities for the operating leases as of December 31, 2022:

| <u>Lease Cost</u> | <u>Classification</u> | <u>Amount</u> |
|-------------------|----------------------------------|-------------------|
| Operating leases | Included in space costs expenses | \$ 350,108 |
| | Included in other expenses | 2,136 |
| Short-term leases | Included in space costs expenses | 62,013 |
| | Included in other expenses | - |
| | Net Lease Cost | <u>\$ 414,257</u> |

The following summarizes the line items in the statement of cash flows for the operating leases as of December 31, 2022:

Cash paid for amounts included in measurement of lease liabilities:

| | |
|--|------------|
| Operating cash flows from operating leases | \$ 352,244 |
|--|------------|

Lease assets obtained in exchange for lease liabilities:

| | |
|---------------------------------|------------|
| Operating lease – office leases | \$ 296,470 |
| Operating lease – equipment | \$ 29,434 |

Total rental expense charged under operating leases totaled \$355,913 for the year ended December 31, 2021.

The Corporation’s Hammond, Louisiana office entered into a five-year operating lease effective December 1, 2019. In March 2022, the Corporation exercised its option to purchase the Hammond, Louisiana office.

The Corporation entered into a one-year sublease agreement for a second New Orleans, Louisiana office effective June 1, 2021. The lease terminated on May 31, 2022, and was on a month-to-month basis subsequent to the lease termination date.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6. LEASES: (Continued)

The lease for suite 700 of the New Orleans, Louisiana office commences on January 1, 2023, and terminates on December 31, 2025, with monthly expenses ranging from \$7,397 to \$7,629 as monthly rent increases throughout the agreement. There are no variable lease payments under this lease. At the end of the lease, the Corporation has the option to extend the term of the lease to be coterminous with the suite 600 lease. The interest rate implicit in the lease agreement is the prime rate of Bank of America; therefore, the Corporation used the prime rate of Bank of America of 7.50% that was available as of the lease commencement date to calculate the right-of-use asset and lease liability. Upon commencement of the lease, the right-of-use lease asset and the right-of-use lease liability will be \$240,103 and \$240,103, respectively.

7. LONG-TERM DEBT:

On March 30, 2022, Southeast Louisiana Legal Services Corporation obtained long-term financing in the amount of \$370,800 for an office building in Hammond, Louisiana. The loan accrues interest at a rate of 3.50% per annum based on a year of 360 days, commencing on March 30, 2022, and continuing until the note is paid in full. The note payable is secured by the building costing \$412,000. The note matures on March 30, 2032. At December 31, 2022, the balance on the loan was \$347,354. Future mortgage payments are as follows:

| Year Ending December 31, | <u>Principal</u> | <u>Interest</u> |
|--------------------------|-------------------|------------------|
| 2023 | \$ 32,308 | \$ 11,803 |
| 2024 | 33,442 | 10,669 |
| 2025 | 34,679 | 9,431 |
| 2026 | 35,930 | 8,180 |
| 2027 | 37,226 | 6,884 |
| 2028 - 2032 | 173,769 | 13,701 |
| | <u>\$ 347,354</u> | <u>\$ 60,668</u> |

Interest expense on the loan was \$9,637 for the year ended December 31, 2022.

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, was 5.25%. The note payable was secured by the building and land costing \$607,182. 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 for the year ended December 31, 2021.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 \$485,648 and \$435,303 in compensated absences at December 31, 2022 and 2021, 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.

During the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the Corporation had refundable advances of \$627,172 and \$19,526, respectively, related to its "one-time" grants with Legal Services Corporation.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

9. REVENUE AND SUPPORT:

The Corporation reported refundable advances as of December 31, 2022, from the following grants:

| <u>Grant</u> | <u>Grant Number/Description</u> | <u>Grant Amount</u> | <u>Grant Period</u> | <u>2022</u> |
|-------------------------------------|---|---------------------|---------------------|--------------|
| LSC - Disaster | GT-21DSA-00005 | \$ 6,471,368 | 7/1/22 - 6/30/25 | \$ 627,172 |
| 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 | 2,500 |
| LA Bar Foundation | Access to Justice Fund | \$ 7,500 | 8/1/22 - 7/31/23 | 7,500 |
| LA Bar Foundation - IOLTA | 2022-002 LSC | \$ 1,052,931 | 7/1/22 - 6/30/23 | 152,227 |
| AARP | DIS-2021-11-001 | \$ 470,000 | 11/5/21 - 11/30/23 | 239,120 |
| Baptist Community Ministries | 9600018 | \$ 21,923 | 10/1/18 - 3/31/19 | 1,096 |
| Bob Woodruff 2022 | Veterans Awards | \$ 100,000 | 10/24/22 - 11/18/23 | 96,185 |
| BRAF BR DV | Domestic Violence Survivors & Abused Children | \$ 30,000 | 7/1/22 - 12/31/22 | 19,343 |
| City of N.O. - Nola Re-entry | K18-1209 | \$ 35,000 | 9/30/19 - 9/30/20 | 14,274 |
| Enterprise Housing Advocacy Work | 22SG2564 | \$ 25,000 | 12/15/22 - 12/31/23 | 25,000 |
| Equal Justice Works | 2022 Rural Summer Legal Corps | \$ 25,000 | 4/12/22 - 9/1/22 | 10,553 |
| Gillis Long - Social Justice Fellow | Social Justice Fellowship | \$ 25,000 | 12/13/21 - 12/13/22 | 12,859 |
| 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 | 363 |
| Greater N.O. Foundation | COVID-19 Legal Helpline | \$ 25,000 | N/A | 7,456 |
| The Hope Center | Legal Support for Veterans in SSVF | \$ 30,000 | 10/1/18 - 9/30/19 | 6,045 |
| 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 | 30,000 |
| JRI St. Tammany LAPRI | St. Tammany - SLLS - CIG 2022/2023 | \$ 45,000 | 5/1/22 - 11/30/22 | 43,682 |
| Kresge Foundation | R-2103-290545 | \$ 257,000 | 5/1/21 - 10/31/22 | 52,257 |
| Northshore Community Foundation | Northshore Hurricane Ida Relief | \$ 35,700 | N/A | 5,255 |
| OLAP - Nursing Home | Social Services Contract | \$ 65,000 | 7/1/22 - 6/30/23 | 10,698 |
| Pennington DV BR & Wilson | Keeping Families Safe | \$ 20,000 | N/A | 20,000 |
| St. John Disaster | United Healthcare Louisiana Fund | \$ 148,516 | 11/16/21 - 11/16/23 | 65,248 |
| Start Corporation | Legal Services for Veterans in SSVF | \$ 20,000 | 10/1/20 - 9/30/21 | 11,511 |
| Start Corporation | Legal Services for Veterans in SSVF | \$ 20,000 | 10/1/21 - 9/30/22 | 20,000 |
| Start Corporation | Legal Services for Veterans in SSVF | \$ 20,000 | | 20,000 |
| Wells Fargo 2022 | Keeping People Housed Legal Assistance | \$ 350,000 | 10/1/22 - 11/30/24 | 168,094 |
| Wilson Foundation Reentry | Huey and Angelina Wilson Foundation | \$ 35,750 | 10/1/22 - 9/30/23 | 35,750 |
| | | | | \$ 1,764,628 |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

9. REVENUE AND SUPPORT: (Continued)

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

| Grant | Grant Number/Description | Grant Amount | Grant Period | 2021 |
|---------------------------------|---|--------------|---------------------|---------------------|
| LSC - PBIIF | 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> |

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

| | <u>2022</u> | <u>2021</u> |
|----------------------------|-------------|-------------|
| Legal Services Corporation | 39% | 47% |
| Louisiana Bar Foundation | 17% | 22% |
| City of New Orleans | 19% | 5% |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021 is listed below:

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Personnel: | | |
| Salaries - lawyers | \$ 346,013 | \$ 366,591 |
| Salaries - non-lawyers | 114,635 | 102,571 |
| Fringe benefits | 124,789 | 127,369 |
| Contract services | 200,801 | 193,833 |
| Travel and training | 15,160 | 5,611 |
| Space costs | 30,745 | 34,302 |
| Supplies | 7,965 | 6,557 |
| Equipment | 6,111 | 2,044 |
| Litigation | 6,230 | 4,105 |
| Other | 38,872 | 28,893 |
| Total Private Attorney Involvement (PAI) Expenses | <u>\$ 891,321</u> | <u>\$ 871,876</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, 2022 and 2021.

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, 2022, was for the period January 1, 2022 through December 31, 2022. 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 subgrant agreements, approved by Legal Services Corporation, totaled \$83,000 for each of the years ended December 31, 2022 and 2021, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

12. SUBGRANT AGREEMENTS – LSC FUNDS: (Continued)

The subgrant agreement with the Baton Rouge Bar Foundation is to provide attorney representation - pro bono. For the year ended December 31, 2022, the subgrant agreement was for the period January 1, 2022 through December 31, 2022. The subgrant agreement for the year ended December 31, 2021, was for the period January 1, 2021 through December 31, 2021. The subgrant agreements approved by Legal Services Corporation, totaled \$52,000 for each of the years ended December 31, 2022 and 2021. 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.

During the year ended December 31, 2022, the Corporation also entered into a disaster grant subgrant agreement with the Pro Bono Project using funding received from Legal Services Corporation to provide pro bono legal services to low-income people who have disaster-related succession matters. The disaster grant subgrant agreement is for the period November 1, 2022 through April 30, 2025. The disaster grant subgrant agreement totals \$250,000 for the term of the agreement. There were no expenses incurred related to the disaster grant subgrant agreement during the year ended December 31, 2022.

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, 2022 and 2021. The 2022 and 2021 employer contribution rate remained unchanged from the prior years at 3%. The employer contribution for the years ended December 31, 2022 and 2021, totaled \$154,621 and \$104,834, 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, 2022 and 2021 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, 2022 AND 2021

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. The Corporation did not have any excess carryover funds for the years ended December 31, 2022 and 2021.

16. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes at December 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| American College of Bankruptcy Foundation | \$ 3,089 | \$ 3,089 |
| ATJ Disaster Court Costs Appleseed | 845 | 789 |
| ATJ Succession Fees | 3,774 | - |
| Baptist Community Ministries | 4,282 | 4,282 |
| Bayou Community Foundation | 20,137 | - |
| Bayou Region GNOF | - | 3,215 |
| Capital One | 15,834 | 30,378 |
| Client Assistance Fund | 4,791 | - |
| City of New Orleans IV-A | 7,500 | 7,500 |
| Delgado Single Stop | 3,522 | 9,084 |
| Donation - Rental Assistance | - | 759 |
| First Horizon ppleseed Succession Fee | 5,500 | - |
| Greater New Orleans Flood Proof | 3,419 | 3,719 |
| Greater New Orleans Foundation | 4,994 | 4,994 |
| Greater New Orleans Foundation - Title Clearing | 2,495 | 2,495 |
| Irene W. and C.B. Pennington Foundation | - | 4,738 |
| Louisiana Bar Foundation - CPP Houma | 2,203 | 2,203 |
| Louisiana Bar Foundation - CPP Northshore | 4,483 | 4,483 |
| Louisiana Bar Foundation - CPP Southshore | 3,173 | 3,173 |
| Louisiana Bar Foundation - JSCPP Veteran Clinic | - | 1,930 |
| Louisiana Bar Foundation - State Appropriation | - | 13,077 |
| MacArthur Foundation X Grant | 12,037 | - |
| SLLS4US | 1,000 | - |
| Start Corporation | 22,650 | 37,088 |
| Vawa 10/1/21 P13 | 2,716 | - |
| VOA SSVF Greater Baton Rouge | 2,500 | - |
| Wilson Heir Property Appleseed | 2,067 | 2,095 |
| Total | <u>133,011</u> | <u>139,091</u> |
| Investment in Fixed Assets | 493,017 | 448,020 |
| Total With Donor Restrictions | <u>\$ 626,028</u> | <u>\$ 587,111</u> |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Financial assets, at year-end: | | |
| Cash and cash equivalents | \$ 1,592,675 | \$ 2,792,131 |
| Certificates of deposit | - | 56,610 |
| Grants and other receivables | 2,276,423 | 1,096,359 |
| Cash in escrow - client deposits | 20,535 | 27,361 |
| Total financial assets at year-end | <u>3,889,633</u> | <u>3,972,461</u> |
| Less contractual or donor-imposed restrictions: | | |
| Client escrow funds | (20,535) | (27,361) |
| Operating lease right-of-use liabilities - current portion | (317,994) | - |
| Refundable advances for legal services (Legal Service Corporation) | (627,172) | (19,526) |
| Refundable advances for legal services (Louisiana Bar Foundation) | (187,227) | (241,429) |
| Refundable advances for legal services (All Other Grants) | (950,229) | (1,654,237) |
| Donor-restricted for legal services (Louisiana Bar Foundation) | (9,859) | (24,866) |
| Donor-restricted for legal services (All Other Grants) | (123,152) | (114,225) |
| Total contractual or donor-imposed restrictions | <u>(2,236,168)</u> | <u>(2,081,644)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 1,653,465</u> | <u>\$ 1,890,817</u> |

18. NET ASSETS DEFICIT BALANCE:

The following funds had deficit net assets without donor restrictions, as of December 31:

| | <u>2022</u> | <u>2021</u> |
|---|------------------|---------------|
| City of New Orleans > 6 mo 50-80 ESG | \$ 8,790 | \$ - |
| City of New Orleans NHIF | 4,460 | - |
| Equal Justice Works Disaster Resilience Fellow | 21,039 | - |
| Jefferson Parish COVID | 77 | - |
| Louisiana Bar Foundation Child in Need of Care | 6,290 | - |
| LSC - Basic Field Grant | - | 325 |
| LSC - PBIF Sustainability Grant | 19,338 | - |
| LSC - TIP Technology Award | 6,648 | 199 |
| New Orleans Office of Community Development ESG | 5,990 | - |
| United Way - Rental Assistance Donation | 573 | - |
| VOCA Washington 5804/6477 | 2,765 | - |
| VOCA New Orleans 6257/6731 | 86 | - |
| Wells Fargo | 580 | - |
| Wilson Foundation Reentry | 176 | - |
| | <u>\$ 76,812</u> | <u>\$ 524</u> |

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

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

19. ECONOMIC DEPENDENCY:

As of December 31, 2022 and 2021, approximately 56% and 69%, 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. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was May 31, 2023.

SUPPLEMENTARY INFORMATION

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO EXECUTIVE DIRECTOR
DECEMBER 31, 2022

Agency Head Name: Laura Tuggle, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------|-------------------|
| Salary | \$ 114,999 |
| FICA | 8,797 |
| Benefits - insurance | 10,659 |
| Benefits - retirement | 3,450 |
| Reimbursements | 3,735 |
| | <u>\$ 141,640</u> |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SUPPLEMENTARY INFORMATION
 JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2021 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2022

| Cash Basis Presentation | First Six Month Period Ended <u>6/30/2022</u> | Second Six Month Period Ended <u>12/31/2022</u> |
|---|--|--|
| Receipts From: | | |
| 24th Judicial District Court / Civil Fees | \$ - | \$ 64,466 |
| Baton Rouge 19th District Court / Civil Fees | 7,000 | 6,000 |
| Orleans Parish Clerk of Court / Civil Fees | 15,282 | 93,983 |
| Livingston Parish Clerk of Court / Civil Fees | 5,245 | 5,990 |
| Tangipahoa Parish Clerk of Court / Civil Fees | 5,120 | 6,244 |
| St. Helena Parish Clerk of Court / Civil Fees | 399 | 6,452 |
| St. Tammany Parish Clerk of Court / Civil Fees | 31,381 | 42,038 |
| Washington Parish Clerk of Court / Civil Fees | 4,940 | 5,550 |
| East Baton Rouge Parish Family Court / Civil Fees | 4,203 | 8,229 |
| Louisiana Bar Foundation / Civil Fees | - | 51,924 |
| St. Bernard Parish Clerk of Court / Civil Fees | 4,560 | 5,393 |
| | <u> </u> | <u> </u> |
| Subtotal Receipts | <u>\$ 78,130</u> | <u>\$ 296,269</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, 2022

| | Legal Services Corporation - LA 13 | | |
|--|------------------------------------|------------------------------------|--------------|
| | Basic Field Grant | Private Attorney Involvement | Total |
| REVENUE AND SUPPORT: | | | |
| Grants and fees | \$ 4,200,841 | \$ - | \$ 4,200,841 |
| Interest | 1,499 | - | \$ 1,499 |
| Donations | - | - | - |
| Other | 5,550 | - | 5,550 |
| Total revenue and support | 4,207,890 | - | 4,207,890 |
| EXPENSES: | | | |
| Personnel: | | | |
| Salaries - lawyers | 1,256,460 | 178,114 | 1,434,574 |
| Salaries - non-lawyers | 1,064,931 | 114,635 | 1,179,566 |
| Fringe benefits | 663,344 | 111,945 | 775,289 |
| Total personnel expenses | 2,984,735 | 404,694 | 3,389,429 |
| Contract services | 57,245 | 140,800 | 198,045 |
| Travel and training | 28,604 | 15,160 | 43,764 |
| Space costs | 197,161 | 30,744 | 227,905 |
| Supplies | 17,116 | 7,964 | 25,080 |
| Equipment | (11,997) | - | (11,997) |
| Depreciation | - | - | - |
| Litigation | 45,616 | 6,230 | 51,846 |
| COVID-19 eviction rental assistance | - | - | - |
| Mortgage foreclosure assistance | - | - | - |
| Other | 237,724 | 37,232 | 274,956 |
| Total expenses | 3,556,204 | 642,824 | 4,199,028 |
| CHANGE IN NET ASSETS | 651,686 | (642,824) | 8,862 |
| NET ASSETS AT BEGINNING OF YEAR | 4,522,166 | (4,522,491) | (325) |
| TRANSFERS BETWEEN FUNDS | - | - | - |
| INVESTMENT IN FIXED ASSETS | (8,537) | - | (8,537) |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | \$ 5,165,315 | \$ (5,165,315) | \$ - |
| NET ASSETS - WITH DONOR RESTRICTIONS END OF YEAR | \$ - | \$ - | \$ - |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2022

| | Legal Services Corporation | | | | Gillis Long Law Center | Gillis Long Social Justice Fellow | New Orleans Bar | Equal Justice America Law Clerks | Whitney/ Hancock Hairston | Whitney Hancock Rental | Donation Rental Assistance | ATJ Disaster Court Costs Appleseed |
|--|-------------------------------------|------------------------|----------------------------|--|---------------------------|---|--------------------|---|---------------------------------|------------------------------|----------------------------------|---|
| | LSC PBIF Sustainability Grant | LSC IDA Disaster | TIP Technology Award | Pro Bono Innovation Fund PB20013 | | | | | | | | |
| REVENUE AND SUPPORT: | | | | | | | | | | | | |
| Grants and fees | \$ - | \$ 990,642 | \$ 17,297 | \$ 87,773 | \$ 97,094 | \$ 42,141 | \$ 25,000 | \$ 5,000 | \$ - | \$ 7,929 | \$ - | \$ 2,500 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | - | 990,642 | 17,297 | 87,773 | 97,094 | 42,141 | 25,000 | 5,000 | - | 7,929 | - | 2,500 |
| EXPENSES: | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | |
| Salaries - lawyers | 12,760 | 226,015 | - | 43,373 | - | 32,416 | 12,246 | - | - | - | - | - |
| Salaries - non-lawyers | 1,659 | 342,496 | 2,159 | - | 97,094 | - | - | 5,000 | - | - | - | - |
| Fringe benefits | 3,828 | 142,363 | - | 20,004 | - | 9,725 | 3,674 | - | - | - | - | - |
| Total personnel expenses | 18,247 | 710,874 | 2,159 | 63,377 | 97,094 | 42,141 | 15,920 | 5,000 | - | - | - | - |
| Contract services | - | 40,667 | - | - | - | - | - | - | - | - | - | - |
| Travel and training | 1,091 | 61,303 | - | 14,443 | - | - | - | - | - | - | - | - |
| Space costs | - | - | - | - | - | - | - | - | - | - | - | - |
| Supplies | - | 9,112 | - | 3,267 | - | - | - | - | - | - | - | - |
| Equipment | - | 52,122 | - | 6,896 | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | - | 763 | - | - | - | - | - | - | 627 | - | - | 2,444 |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | 7,929 | 759 | - |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 115,801 | 21,587 | (210) | - | - | - | - | - | - | - | - |
| Total expenses | 19,338 | 990,642 | 23,746 | 87,773 | 97,094 | 42,141 | 15,920 | 5,000 | 627 | 7,929 | 759 | 2,444 |
| CHANGE IN NET ASSETS | (19,338) | - | (6,449) | - | - | - | 9,080 | - | (627) | - | (759) | 56 |
| NET ASSETS AT BEGINNING OF YEAR | - | - | (199) | - | - | - | - | - | 1,435 | - | 759 | 789 |
| TRANSFERS BETWEEN FUNDS | - | - | - | - | - | - | - | - | - | - | - | - |
| INVESTMENT IN FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | \$ (19,338) | \$ - | \$ (6,648) | \$ - | \$ - | \$ - | \$ 9,080 | \$ - | \$ 808 | \$ - | \$ - | \$ - |
| NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 845 |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF ACTIVITIES - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2022

| | Wilson Heir Property Appleseed | LBF Disaster | LBF Capital Area | LBF GNO | LBF Bayou Region | LBF - Access to Justice Fund | LBF - JSCPP Veteran Clinic | Delgado Single Stop | LBF CPP Houma | Louisiana Bar Foundation Community Partnership Panel Grant Southshore | Louisiana Bar Foundation Community Partnership Panel Grant Northshore | Louisiana Bar Foundation IOLTA | Irene W. and C.B. Pennington Foundation |
|--|--------------------------------------|-----------------|------------------------|---------|------------------------|------------------------------------|----------------------------------|---------------------------|------------------|--|--|--------------------------------------|--|
| REVENUE AND SUPPORT: | | | | | | | | | | | | | |
| Grants and fees | \$ 5,100 | \$ - | \$ - | \$ - | \$ - | \$ 12,500 | \$ - | \$ 3,750 | \$ - | \$ - | \$ - | \$ 1,067,182 | \$ - |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | 5,100 | - | - | - | - | 12,500 | - | 3,750 | - | - | - | 1,067,182 | - |
| EXPENSES: | | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | | |
| Salaries - lawyers | - | - | - | - | - | - | 1,533 | 7,299 | - | - | - | 586,561 | 4,738 |
| Salaries - non-lawyers | - | - | - | - | - | - | - | - | - | - | - | 69,335 | - |
| Fringe benefits | - | - | - | - | - | - | - | 1,938 | - | - | - | 210,164 | - |
| Total personnel expenses | - | - | - | - | - | - | 1,533 | 9,237 | - | - | - | 866,060 | 4,738 |
| Contract services | - | - | - | - | - | 12,500 | - | - | - | - | - | - | - |
| Travel and training | - | - | - | - | - | - | 256 | 75 | - | - | - | 18,759 | - |
| Space costs | - | - | - | - | - | - | - | - | - | - | - | 78,031 | - |
| Supplies | - | - | - | - | - | - | - | - | - | - | - | 28,131 | - |
| Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | 5,128 | - | - | - | - | - | - | - | - | - | - | 49 | - |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | 141 | - | - | - | - | 76,152 | - |
| Total expenses | 5,128 | - | - | - | - | 12,500 | 1,930 | 9,312 | - | - | - | 1,067,182 | 4,738 |
| CHANGE IN NET ASSETS | (28) | - | - | - | - | - | (1,930) | (5,562) | - | - | - | - | (4,738) |
| NET ASSETS AT BEGINNING OF YEAR | 2,095 | - | - | - | - | - | 1,930 | 9,084 | 2,203 | 3,173 | 4,483 | - | 4,738 |
| TRANSFERS BETWEEN FUNDS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| INVESTMENT IN FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR | \$ 2,067 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,522 | \$ 2,203 | \$ 3,173 | \$ 4,483 | \$ - | \$ - |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022

| | GNOF Flood Proof | Wells Fargo | Lutz - NP | Bayou Region GNOF | City of New Orleans Nola Reentry | Safe YAWA | Haven YAWA | American College of Bankruptcy Foundation | JRI Jefferson Parish | JRI New Orleans | New Orleans Council on Aging | United Way Rental Assistance Donation | Clean Slate |
|--|------------------------|----------------|-----------|-------------------------|---|--------------|---------------|--|----------------------------|-----------------------|---------------------------------------|--|----------------|
| REVENUE AND SUPPORT: | | | | | | | | | | | | | |
| Grants and fees | \$ - | \$ 46,596 | \$ 30,500 | \$ - | \$ - | \$ 10,587 | \$ (13,716) | \$ - | \$ 17,443 | \$ 4,310 | \$ 27,957 | \$ - | \$ 18,597 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | - | 46,596 | 30,500 | - | - | 10,587 | (13,716) | - | 17,443 | 4,310 | 27,957 | - | 18,597 |
| EXPENSES: | | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | | |
| Salaries - lawyers | - | 32,994 | 30,500 | 164 | - | 6,367 | (9,663) | - | 13,368 | 3,487 | 15,054 | - | 6,151 |
| Salaries - non-lawyers | - | 3,299 | - | - | - | - | - | - | - | 392 | - | - | - |
| Fringe benefits | - | 9,898 | - | - | - | 3,685 | (4,053) | - | 4,075 | 431 | 4,216 | - | 1,846 |
| Total personnel expenses | - | 46,191 | 30,500 | 164 | - | 10,052 | (13,716) | - | 17,443 | 4,310 | 19,270 | - | 7,997 |
| Contract services | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Travel and training | - | 760 | - | - | - | - | - | - | - | - | 1,075 | - | - |
| Space costs | - | - | - | - | - | - | - | - | - | - | 4,301 | - | - |
| Supplies | - | 175 | - | 2,201 | - | - | - | - | - | - | 2,150 | - | - |
| Equipment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | 300 | 50 | - | 850 | - | 418 | - | - | - | - | - | - | 10,600 |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | - | 573 | - |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | 117 | - | - | - | - | 1,161 | - | (200) |
| Total expenses | 300 | 47,176 | 30,500 | 3,215 | - | 10,587 | (13,716) | - | 17,443 | 4,310 | 27,957 | 573 | 18,397 |
| CHANGE IN NET ASSETS | (300) | (580) | - | (3,215) | - | - | - | - | - | - | - | (573) | 200 |
| NET ASSETS AT BEGINNING OF YEAR | 3,719 | - | - | 3,215 | - | - | - | 3,089 | - | - | - | - | - |
| TRANSFERS BETWEEN FUNDS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| INVESTMENT IN FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ (580) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (573) | \$ 200 |
| NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR | \$ 3,419 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,089 | \$ - | \$ - | \$ - | \$ - | \$ - |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022

| | GNOF Gert Town | OLAP Nursing Home | Capital Area Agency on Aging | St. Tammany Council on Aging | Livingston Parish Council on Aging | AARP | Louisiana Bar Foundation Child in Need of Care | Lafourche Council on Aging | Terrebonne Council on Aging | East Baton Rouge Council on Aging | St. John Council on Aging | St. James Council on Aging | St. Charles Council on Aging |
|--|----------------------|-------------------------|------------------------------------|------------------------------------|--|------------|---|----------------------------------|-----------------------------------|--|---------------------------------|----------------------------------|------------------------------------|
| REVENUE AND SUPPORT: | | | | | | | | | | | | | |
| Grants and fees | \$ - | \$ 75,308 | \$ 61,451 | \$ 39,351 | \$ 8,141 | \$ 230,260 | \$ 951,653 | \$ 4,531 | \$ 9,548 | \$ 13,020 | \$ 2,979 | \$ 1,098 | \$ 2,589 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | - | 75,308 | 61,451 | 39,351 | 8,141 | 230,260 | 951,653 | 4,531 | 9,548 | 13,020 | 2,979 | 1,098 | 2,589 |
| EXPENSES: | | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | | |
| Salaries - lawyers | - | 52,569 | 33,089 | 21,189 | 4,383 | 77,618 | 579,748 | 2,440 | 4,849 | 7,011 | 1,192 | 591 | 1,394 |
| Salaries - non-lawyers | - | 6,834 | - | - | - | 46,116 | 66,724 | - | - | - | - | - | - |
| Fringe benefits | - | 15,770 | 9,264 | 5,933 | 1,228 | 32,850 | 168,984 | 683 | 1,358 | 1,963 | 334 | 165 | 391 |
| Total personnel expenses | - | 75,173 | 42,353 | 27,122 | 5,611 | 156,584 | 815,456 | 3,123 | 6,207 | 8,974 | 1,526 | 756 | 1,785 |
| Contract services | - | - | - | - | - | 56,905 | 54,950 | - | - | - | - | - | - |
| Travel and training | - | - | 2,364 | 1,513 | 313 | 3,644 | 32,250 | 174 | 346 | 501 | 850 | 42 | 100 |
| Space costs | - | - | 9,454 | 6,054 | 1,253 | 1,971 | 33,200 | 697 | 1,385 | 2,003 | 341 | 169 | 398 |
| Supplies | - | - | 4,727 | 3,027 | 626 | 326 | 5,675 | 349 | 1,236 | 1,001 | 170 | 85 | 199 |
| Equipment | - | - | - | - | - | - | 2,130 | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | - | - | - | - | - | 8,507 | - | - | - | - | - | - | - |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 135 | 2,553 | 1,635 | 338 | 2,323 | 14,282 | 188 | 374 | 541 | 92 | 46 | 107 |
| Total expenses | - | 75,308 | 61,451 | 39,351 | 8,141 | 230,260 | 957,943 | 4,531 | 9,548 | 13,020 | 2,979 | 1,098 | 2,589 |
| CHANGE IN NET ASSETS | - | - | - | - | - | - | (6,290) | - | - | - | - | - | - |
| NET ASSETS AT BEGINNING OF YEAR | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TRANSFERS BETWEEN FUNDS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| INVESTMENT IN FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (6,290) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022

| | EBR Eviction Diversion | Plaquemine Council on Aging | United Way Capital Area Disaster IDA | United Way SELA Disaster | GNOF IDA | St. John Disaster | Equal Justice Works Disaster Resilience Fellow | Northshore Community Foundation | BRAF Title Clearing | U.S. Department of Justice Assistance for Victims - Orleans | Baptist Community Ministries | Capital One | Vawa 10/1/21 P13 |
|--|------------------------------|-----------------------------------|--|--------------------------------|---------------|----------------------|--|---------------------------------------|---------------------------|---|------------------------------------|------------------|---------------------|
| REVENUE AND SUPPORT: | | | | | | | | | | | | | |
| Grants and fees | \$ 155,287 | \$ 6,425 | \$ 30,552 | \$ 41,723 | \$ 68,926 | \$ 76,281 | \$ 169,504 | \$ 30,277 | \$ 50,000 | \$ 7,596 | \$ - | \$ 20,000 | \$ 218,619 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | <u>155,287</u> | <u>6,425</u> | <u>30,552</u> | <u>41,723</u> | <u>68,926</u> | <u>76,281</u> | <u>169,504</u> | <u>30,277</u> | <u>50,000</u> | <u>7,596</u> | <u>-</u> | <u>20,000</u> | <u>218,619</u> |
| EXPENSES: | | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | | |
| Salaries - lawyers | 39,253 | 3,459 | 22,825 | 31,122 | 33,315 | 52,153 | 151,494 | 21,286 | 33,900 | 7,596 | - | 24,092 | 129,187 |
| Salaries - non-lawyers | 80,442 | - | - | - | 19,418 | 7,039 | 15,000 | 2,547 | 4,428 | - | - | 3,132 | 15,575 |
| Fringe benefits | 32,236 | 969 | 6,848 | 9,337 | 14,000 | 15,646 | 22,806 | 6,388 | 10,219 | - | - | 7,228 | 32,856 |
| Total personnel expenses | <u>151,931</u> | <u>4,428</u> | <u>29,673</u> | <u>40,459</u> | <u>66,733</u> | <u>74,838</u> | <u>189,300</u> | <u>30,221</u> | <u>48,547</u> | <u>7,596</u> | <u>-</u> | <u>34,452</u> | <u>177,618</u> |
| Contract services | - | - | - | - | - | - | - | - | - | - | - | - | 32,195 |
| Travel and training | - | 248 | - | 82 | 2,193 | 1,144 | 1,243 | 56 | 1,087 | - | - | 52 | 466 |
| Space costs | 1,724 | 988 | - | - | - | - | - | - | - | - | - | - | 2,192 |
| Supplies | 1,200 | 494 | - | - | - | 299 | - | - | 116 | - | - | 40 | - |
| Equipment | - | - | 879 | 932 | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | - | - | - | - | - | - | - | - | - | - | - | - | 1,374 |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 432 | 267 | - | 250 | - | - | - | - | 250 | - | - | - | 2,058 |
| Total expenses | <u>155,287</u> | <u>6,425</u> | <u>30,552</u> | <u>41,723</u> | <u>68,926</u> | <u>76,281</u> | <u>190,543</u> | <u>30,277</u> | <u>50,000</u> | <u>7,596</u> | <u>-</u> | <u>34,544</u> | <u>215,903</u> |
| CHANGE IN NET ASSETS | - | - | - | - | - | - | (21,039) | - | - | - | - | (14,544) | 2,716 |
| NET ASSETS AT BEGINNING OF YEAR | - | - | - | - | - | - | - | - | - | - | 4,282 | 30,378 | - |
| 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> | <u>\$ -</u> | <u>\$ (21,039)</u> | <u>\$ -</u> | <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> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,282</u> | <u>\$ 15,834</u> | <u>\$ 2,716</u> |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Wilson Foundation Reentry | Jefferson Parish COVID | City of New Orleans IV-A | City of New Orleans IV-B | City of New Orleans NHIF | City of New Orleans > 6 mo 50-80 ESG | ESG CARES 313 | New Orleans Office of Community Development ESG | City of New Orleans Foreclosure | Greater New Orleans Foundation | Greater New Orleans Foundation Title Clearing | Start Corporation | GNOF Disaster |
|--|---------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|---|---------------------|---|---------------------------------------|--------------------------------------|--|----------------------|------------------|
| REVENUE AND SUPPORT: | | | | | | | | | | | | | |
| Grants and fees | \$ 71,830 | \$ 75,469 | \$ 85,693 | \$ 794,762 | \$ 102,118 | \$ 183,744 | \$ 57,294 | \$ 24,976 | \$ (165,596) | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | <u>71,830</u> | <u>75,469</u> | <u>85,693</u> | <u>794,762</u> | <u>102,118</u> | <u>183,744</u> | <u>57,294</u> | <u>24,976</u> | <u>(165,596)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENSES: | | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | | |
| Salaries - lawyers | 53,950 | 47,218 | - | 67,351 | - | - | 24,633 | 25,637 | - | - | - | 8,651 | - |
| Salaries - non-lawyers | - | 5,366 | 53,920 | 48,764 | - | - | 19,221 | - | - | - | - | 2,255 | - |
| Fringe benefits | 17,383 | 12,225 | - | 47,644 | - | - | 13,440 | 5,329 | - | - | - | 2,626 | - |
| Total personnel expenses | <u>71,333</u> | <u>64,809</u> | <u>53,920</u> | <u>163,759</u> | <u>-</u> | <u>-</u> | <u>57,294</u> | <u>30,966</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,532</u> | <u>-</u> |
| Contract services | - | 10,737 | - | - | - | - | - | - | - | - | - | - | - |
| Travel and training | 247 | - | - | - | - | - | - | - | - | - | - | 556 | - |
| Space costs | - | - | 14,794 | - | - | - | - | - | - | - | - | - | - |
| Supplies | 176 | - | - | 616 | - | - | - | - | - | - | - | - | - |
| Equipment | - | - | 7,894 | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mortgage foreclosure assistance | - | - | - | 626,825 | 106,578 | 192,534 | - | - | (165,596) | - | - | - | - |
| Other | 250 | - | 9,085 | 3,562 | - | - | - | - | - | - | - | 350 | - |
| Total expenses | <u>72,006</u> | <u>75,546</u> | <u>85,693</u> | <u>794,762</u> | <u>106,578</u> | <u>192,534</u> | <u>57,294</u> | <u>30,966</u> | <u>(165,596)</u> | <u>-</u> | <u>-</u> | <u>14,438</u> | <u>-</u> |
| CHANGE IN NET ASSETS | (176) | (77) | - | - | (4,460) | (8,790) | - | (5,990) | - | - | - | (14,438) | - |
| NET ASSETS AT BEGINNING OF YEAR | - | - | 7,500 | - | - | - | - | - | - | 4,994 | 2,495 | 37,088 | - |
| TRANSFERS BETWEEN FUNDS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| INVESTMENT IN FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | <u>\$ (176)</u> | <u>\$ (77)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (4,460)</u> | <u>\$ (8,790)</u> | <u>\$ -</u> | <u>\$ (5,990)</u> | <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> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,994</u> | <u>\$ 2,495</u> | <u>\$ 22,650</u> | <u>\$ -</u> |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Misko Donation Medical Records | Kresge Foundation | GNOF COVID-19 Housing Justice Project | Internal Revenue Service Grant | State Appropriation | United Way New Orleans | United Way Donations | United Way Capital Area | Hope Center | VOCA Jefferson 5805/6476 | VOCA Washington 5804/6477 | VOCA New Orleans 6157/6731 | United Way St. Charles |
|--|---|----------------------|---|--------------------------------------|------------------------|---------------------------|-------------------------|----------------------------|----------------|--------------------------------|---------------------------------|----------------------------------|------------------------------|
| REVENUE AND SUPPORT: | | | | | | | | | | | | | |
| Grants and fees | \$ - | \$ 177,149 | \$ 28,311 | \$ 100,000 | \$ 219,651 | \$ 62,500 | \$ - | \$ 83,591 | \$ 8,183 | \$ 164,588 | \$ 200,780 | \$ 107,260 | \$ 18,750 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | - | 10,474 | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | - | 177,149 | 28,311 | 100,000 | 219,651 | 62,500 | 10,474 | 83,591 | 8,183 | 164,588 | 200,780 | 107,260 | 18,750 |
| EXPENSES: | | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | | |
| Salaries - lawyers | - | 119,952 | 19,719 | 89,091 | 187,602 | 48,077 | 10,447 | 55,293 | 5,722 | 108,685 | 170,344 | 83,869 | 11,354 |
| Salaries - non-lawyers | - | 15,594 | 2,563 | 8,909 | - | - | - | 7,188 | 744 | - | 10,059 | - | - |
| Fringe benefits | - | 35,985 | 5,914 | - | 45,126 | 14,423 | 27 | 16,588 | 1,717 | 44,416 | 19,574 | 5,328 | 3,406 |
| Total personnel expenses | - | 171,531 | 28,196 | 98,000 | 232,728 | 62,500 | 10,474 | 79,069 | 8,183 | 153,101 | 199,977 | 89,197 | 14,760 |
| Contract services | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Travel and training | - | 3,411 | - | 2,000 | - | - | - | 570 | - | 1,190 | 1,343 | - | 1,301 |
| Space costs | - | - | - | - | - | - | - | - | - | - | - | 1,998 | 2,484 |
| Supplies | - | 147 | 115 | - | - | - | - | - | - | 10,297 | 124 | 6,681 | - |
| Equipment | - | 1,757 | - | - | - | - | - | - | - | - | - | 9,470 | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | (47) | - | - | - | - | - | - | - | - | - | (117) | - | - |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 303 | - | - | - | - | - | - | - | - | 2,218 | - | - |
| Total expenses | (47) | 177,149 | 28,311 | 100,000 | 232,728 | 62,500 | 10,474 | 79,639 | 8,183 | 164,588 | 203,545 | 107,346 | 18,545 |
| CHANGE IN NET ASSETS | 47 | - | - | - | (13,077) | - | - | 3,952 | - | - | (2,765) | (86) | 205 |
| NET ASSETS AT BEGINNING OF YEAR | - | - | - | - | 13,077 | - | 13,133 | - | - | - | - | - | 488 |
| TRANSFERS BETWEEN FUNDS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| INVESTMENT IN FIXED ASSETS | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | \$ 47 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,133 | \$ 3,952 | \$ - | \$ - | \$ (2,765) | \$ (86) | \$ 693 |
| NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF ACTIVITIES - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2022

| | United Way Capital Area Disaster <u>Line</u> | ATJ Succession <u>Fees</u> | First Horizon Applesseed Succession <u>Fee</u> | Equal Justice Works <u>Design</u> | MacArthur Foundation X <u>Grant</u> | Client Assistance <u>Fund</u> | Wilson Foundation <u>DV BR</u> | BRAF <u>BR DV</u> | Right to <u>Counsel</u> | St. Charles <u>UW Disaster</u> | HUD Eviction Protection <u>ALS</u> | Bayou Community <u>Foundation</u> | Wells <u>Fargo 2022</u> |
|--|---|----------------------------------|---|--|---|-------------------------------------|--------------------------------------|----------------------|----------------------------|-----------------------------------|---|---|----------------------------|
| REVENUE AND SUPPORT: | | | | | | | | | | | | | |
| Grants and fees | \$ 11,500 | \$ 5,000 | \$ 5,500 | \$ 14,447 | \$ 20,000 | \$ - | \$ - | \$ 10,657 | \$ 1,463,642 | \$ 50,000 | \$ 72,375 | \$ 30,000 | \$ 6,906 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | 10,000 | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue and support | <u>11,500</u> | <u>5,000</u> | <u>5,500</u> | <u>14,447</u> | <u>20,000</u> | <u>10,000</u> | <u>-</u> | <u>10,657</u> | <u>1,463,642</u> | <u>50,000</u> | <u>72,375</u> | <u>30,000</u> | <u>6,906</u> |
| EXPENSES: | | | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | | | |
| Salaries - lawyers | - | - | - | 14,447 | - | - | - | 9,900 | 448,086 | 32,767 | 49,923 | - | 4,832 |
| Salaries - non-lawyers | - | - | - | - | - | - | - | - | 290,498 | 4,139 | 6,321 | 9,162 | 623 |
| Fringe benefits | - | - | - | - | - | - | - | 757 | 194,164 | 10,312 | 13,291 | 701 | 1,402 |
| Total personnel expenses | - | - | - | <u>14,447</u> | - | - | - | <u>10,657</u> | <u>932,748</u> | <u>47,218</u> | <u>69,535</u> | <u>9,863</u> | <u>6,857</u> |
| Contract services | 612 | - | - | - | - | - | - | - | 226,535 | - | - | - | - |
| Travel and training | 40 | - | - | - | - | 478 | - | - | 65,780 | 2,782 | 868 | - | 49 |
| Space costs | - | - | - | - | - | - | - | - | 68,232 | - | - | - | - |
| Supplies | 406 | - | - | - | - | - | - | - | 28,186 | - | - | - | - |
| Equipment | - | - | - | - | - | - | - | - | 32,307 | - | 1,972 | - | - |
| Depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Litigation | - | 1,226 | - | - | 7,963 | 4,501 | - | - | 3,554 | - | - | - | - |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 10,442 | - | - | - | - | 230 | - | - | 106,300 | - | - | - | - |
| Total expenses | <u>11,500</u> | <u>1,226</u> | <u>-</u> | <u>14,447</u> | <u>7,963</u> | <u>5,209</u> | <u>-</u> | <u>10,657</u> | <u>1,463,642</u> | <u>50,000</u> | <u>72,375</u> | <u>9,863</u> | <u>6,906</u> |
| CHANGE IN NET ASSETS | - | 3,774 | 5,500 | - | 12,037 | 4,791 | - | - | - | - | - | 20,137 | - |
| 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> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR | <u>\$ -</u> | <u>\$ 3,774</u> | <u>\$ 5,500</u> | <u>\$ -</u> | <u>\$ 12,037</u> | <u>\$ 4,791</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,137</u> | <u>\$ -</u> |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF ACTIVITIES - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2022

| | Enterprise Housing Advocacy Work | BR DV HAWF Penn | Bob Woodruff 2022 | JRI St. Tammany LAPRI | LBF CPP Will for Hero ST, Wa, Ta | SLLS4US Donations | VOA SSVF Greater Baton Rouge | General | Investment in Fixed Assets Other | Investment in Fixed Assets Buildings | Total |
|--|---|-----------------------|----------------------|-----------------------------|--|----------------------|------------------------------------|--------------|---|---|---------------|
| REVENUE AND SUPPORT: | | | | | | | | | | | |
| Grants and fees | \$ - | \$ - | \$ 3,815 | \$ 5,901 | 4,000 | - | 2,500 | \$ 336,842 | \$ - | \$ - | \$ 13,426,280 |
| Interest | - | - | - | - | - | - | - | - | - | - | 1,499 |
| Donations | - | - | - | - | - | 1,000 | - | 118,707 | - | - | 140,181 |
| Other | - | - | - | - | - | - | - | - | - | - | 5,550 |
| Total revenue and support | - | - | 3,815 | 5,901 | 4,000 | 1,000 | 2,500 | 455,549 | - | - | 13,573,510 |
| EXPENSES: | | | | | | | | | | | |
| Personnel: | | | | | | | | | | | |
| Salaries - lawyers | - | - | 1,040 | 4,127 | 3,150 | - | - | 200,452 | - | - | 5,702,011 |
| Salaries - non-lawyers | - | - | 122 | 536 | - | - | - | (75,290) | - | - | 2,378,949 |
| Fringe benefits | - | - | 312 | 1,238 | - | - | - | 70,171 | - | - | 2,168,038 |
| Total personnel expenses | - | - | 1,474 | 5,901 | 3,150 | - | - | 195,333 | - | - | 10,248,998 |
| Contract services | - | - | - | - | - | - | - | 69,061 | - | - | 702,207 |
| Travel and training | - | - | - | - | - | - | - | (4,872) | - | - | 265,937 |
| Space costs | - | - | - | - | - | - | - | 79,765 | - | - | 539,339 |
| Supplies | - | - | - | - | 850 | - | - | 2,433 | - | - | 139,717 |
| Equipment | - | - | 1,941 | - | - | - | - | 904 | - | - | 107,207 |
| Depreciation | - | - | - | - | - | - | - | - | 14,372 | 27,422 | 41,794 |
| Litigation | - | - | - | - | - | - | - | - | - | - | 100,036 |
| COVID-19 eviction rental assistance | - | - | - | - | - | - | - | - | - | - | 9,261 |
| Mortgage foreclosure assistance | - | - | - | - | - | - | - | 10,779 | - | - | 771,120 |
| Other | - | - | 400 | - | - | - | - | 67,500 | - | - | 716,016 |
| Total expenses | - | - | 3,815 | 5,901 | 4,000 | - | - | 420,903 | 14,372 | 27,422 | 13,641,632 |
| CHANGE IN NET ASSETS | - | - | - | - | - | 1,000 | 2,500 | 34,646 | (14,372) | (27,422) | (68,122) |
| NET ASSETS AT BEGINNING OF YEAR | - | - | - | - | - | - | - | 1,349,316 | 26,543 | 421,477 | 1,950,959 |
| TRANSFERS BETWEEN FUNDS | - | - | - | - | - | - | - | - | - | - | - |
| INVESTMENT IN FIXED ASSETS | - | - | - | - | - | - | - | (78,254) | 22,145 | 64,646 | - |
| NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,305,708 | \$ - | \$ - | \$ 1,256,809 |
| NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,000 | \$ 2,500 | \$ - | \$ 34,316 | \$ 458,701 | \$ 626,028 |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1. PRIVATE ATTORNEY INVOLVEMENT COSTS

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

| | |
|--------------------------|-------------------|
| Louisiana Bar Foundation | \$ 153,693 |
| Other Grants | <u>88,691</u> |
| | <u>\$ 242,384</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, 2023

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, 2022, 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, 2023.

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.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southeast Louisiana Legal Services Corporation'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 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*.

Purpose of the Report

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

Duplantier, Chapman, Hogan and Parker, 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, 2023

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, 2022. 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, 2022.

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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 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.

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, Chapman, Hogan and Drake, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| <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 HOUSING AND URBAN DEVELOPMENT</u> | | | | |
| HUD Eviction Protection Grant | 14.537 | | \$ 72,375 | \$ - |
| Funds passed through Jefferson Parish: | | | | |
| Community Development Block Grant | 14.218 | | 18,397 | - |
| Community Development Block Grant - CARES | 14.218 | | 75,546 | 19,790 |
| Funds passed through City of New Orleans: | | | | |
| Community Development Block Grant | 14.218 | CD-CV06 (21) | 714,859 | - |
| Emergency Solutions Grant | 14.231 | ESG-034H | 223,500 | - |
| Emergency Solutions Grant - CARES | 14.231 | ESG-CV05 | 57,294 | - |
| TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | 1,161,971 | 19,790 |
| <u>LEGAL SERVICES CORPORATION</u> | | | | |
| Basic Field | 09.619081 | LA-13 | 4,207,565 | 135,000 |
| Disaster Supplemental Appropriation | 09.619081 | GT-21DSA-00005 | 990,642 | 24,000 |
| PBIF Sustainability | 09.619081 | GT-PB22S-00002 | 19,338 | - |
| Pro Bono Innovation Fund | 09.619081 | PB20013 | 87,773 | - |
| Tech Improvement | 09.619081 | AD-TG21T-0015 | 23,746 | - |
| Funds passed through Equal Justice Works: | | | | |
| Equal Justice Works Design | | | 14,447 | - |
| TOTAL LEGAL SERVICES CORPORATION | | | 5,343,511 | 159,000 |
| <u>INTERNAL REVENUE SERVICE</u> | | | | |
| LITC Program | 21.008 | 22-LITC0531-02-00 | 100,000 | - |
| TOTAL INTERNAL REVENUE SERVICE | | | 100,000 | - |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION ON AGING</u> | | | | |
| Funds passed through New Orleans Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 27,957 | - |
| Funds passed through Capital Area Agency on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 61,451 | - |
| Funds passed through St. Tammany Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 39,351 | - |
| Funds passed through Livingston Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 8,141 | - |
| Funds passed through Lafourche Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 4,531 | - |
| Funds passed through Terrebonne Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 9,548 | - |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

| <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 ADMINISTRATION ON AGING (Continued)</u> | | | | |
| Funds passed through East Baton Rouge Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | \$ 13,020 | \$ - |
| Fund passed through St. John Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 2,979 | - |
| Funds passed through St. James Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 1,098 | - |
| Funds passed through St. Charles Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 2,589 | - |
| Funds passed through Plaquemine Council on Aging: | | | | |
| Title III B Supportive Services | 93.044 | | 6,425 | - |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION ON AGING | | | 177,090 | - |
| <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 | CINC 2021-002 CINC 2022-002 | 182,338 | - |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES | | | 182,338 | - |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | | |
| Legal Assistance for Victims | 16.524 | 2015-WL-AX-0053 | 7,596 | - |
| Funds passed through Southeast Spouse Abuse Program: | | | | |
| Legal Assistance for Victims | 16.524 | | 10,587 | - |
| Funds passed through Office on Violence Against Women: | | | | |
| Legal Assistance for Victims | 16.524 | 15JOVW-21-GG- 00409-LEGA | 215,903 | 32,195 |
| Funds passed through Louisiana Commission on Law Enforcement: | | | | |
| Crime Victim Assistance | 16.575 | 2019-VA-01/02-5805 2020-VA-01/02-6476 2019-VA-02/03-5803 | 164,588 | - |
| Crime Victim Assistance | 16.575 | 2020-VA-02/01-6477 2020-VA-01/02-6156 | 203,545 | - |
| Crime Victim Assistance | 16.575 | 2021-VA-01/02-6731 | 107,346 | - |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | 709,565 | 32,195 |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

| <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 | | \$ 14,438 | \$ - |
| Funds passed through The Hope Center, Inc.: | | | | |
| Supportive Services for Veteran Families | 64.033 | | <u>8,183</u> | <u>-</u> |
| TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS | | | <u>22,621</u> | <u>-</u> |
| <u>U.S. DEPARTMENT OF TREASURY</u> | | | | |
| Funds passed through East Baton Rouge Parish: | | | | |
| Emergency Rental Assistance Program | 21.023 | | 155,287 | - |
| Funds passed through the City of New Orleans | | | | |
| Emergency Rental Assistance Program | 21.023 | ERA-00003(21) | <u>1,463,642</u> | <u>226,535</u> |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | <u>1,618,929</u> | <u>226,535</u> |
| TOTAL FEDERAL EXPENDITURES | | | <u>\$ 9,316,025</u> | <u>\$ 437,520</u> |

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. 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, 2022, the Corporation did 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, 2022.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards:

Internal control over major programs:

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

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

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

Identification of major program:

| <u>Name of Program</u> | <u>Assistance Listing No.</u> | <u>Expenditures</u> |
|---|-------------------------------|---------------------|
| Legal Services Corporation – Basic Field, Disaster, PBIF, Pro Bono Innovation, Tech Improvement, and Equal Justice Works grants | 09.619081 | \$ 5,343,511 |
| CDBG Block Grants / Entitlement Grants | 14.218 | \$ 808,802 |
| Emergency Rental Assistance Program | 21.023 | \$ 1,618,929 |

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

Auditee qualified as low-risk auditee? __yes Xno

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

None

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

D. PRIOR YEAR FINDINGS:

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.

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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

D. PRIOR YEAR FINDINGS: (Continued)

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)

Status:

Resolved

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.

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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

D. PRIOR YEAR FINDINGS: (Continued)

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS: (Continued)

2021-02: (Continued)

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

Cause: (Continued)

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.

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.

Status:

Resolved

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JANUARY 01, 2022
THROUGH DECEMBER 31, 2022

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR JANUARY 01, 2022
THROUGH DECEMBER 31, 2022

June 30, 2023

Board of Directors
Southeast Louisiana Legal Services Corporation and
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, 2022 through December 31, 2022. 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, 2022 through December 31, 2022. 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:

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Members
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Certified Public Accountants
Society of LA CPAs

1) *Written Policies and Procedures*

- A. **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:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **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).
 - v. **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 rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
 - ix. **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.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- xi. ***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.
- xii. ***Prevention of 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.

2) ***Board or Finance Committee***

- A. **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:
 - i. 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.
 - ii. 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. *Alternatively, for those entities reporting on the not-for-profit 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.*
 - iii. 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.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: As a result of applying the above agreed-upon procedures, we noted the following related to the Southeast Louisiana Legal Service Corporation's Board Finance and Audit Committee:

- 2021 Audit findings were communicated to the Board Finance and Audit Committee at the May 25, 2022, meeting. Management's response and plan of action were also communicated to the Board Finance and Audit Committee at this time, but there was no written documentation noted in subsequent meetings indicating that the Board Finance and Audit Committee received written updates of the progress of resolving the audit findings, according to management's corrective action plan, at each meeting until the findings were considered fully resolved.

Recommendations: We recommend that, in years in which there are audit findings, management provide written updates on the status of resolving the audit findings until those findings are considered to be fully resolved.

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

3) *Bank Reconciliations*

- A. **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:
- i. 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);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. 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 August 2022 bank reconciliations (month selected for testing):

- 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 August 31, 2022. Eight reconciling items totaling \$60,991.57 from August 26, 2020, were noted on the August 2022 bank reconciliation.

Recommendations: 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.

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

4) *Collections (excluding electronic funds transfers)*

A. **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.

B. **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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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:

- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. 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;
- iii. Each employee responsible for collecting cash is not also 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; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also 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.

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

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

- D. **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

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

5) ***Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

- A. **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.

- B. **Procedure:** For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;

- iii. 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;
- iv. 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; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings 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.

- C. **Procedure:** For each location selected under procedure #5A 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:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

- D. **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

- B. **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:

- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- ii. 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.

- C. **Procedure:** Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that 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 observe 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.

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

- A. **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 and 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:

- i. 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);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that 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 Policies and Procedures procedure #1A(vii); and
- iv. Observe that 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.

8) *Contracts*

- A. **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. *Alternatively, 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:
- i. 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;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that 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, the documented approval); and
 - iv. 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 that 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.

9) *Payroll and Personnel*

- A. **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.

- B. **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agrees 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.

- C. **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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's 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.

- D. **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.

10) *Ethics*

A. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
- ii. Observe whether the entity maintains documentation which demonstrates that 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 non-profit 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.

B. **Procedure:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: The Louisiana Code of Ethics is generally not applicable to non-profit 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.

11) *Debt Service*

A. **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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

B. **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 non-profit entities. The debt service agreed-upon procedures are not applicable to Southeast Louisiana Legal Services Corporation.

12) Fraud Notice

- A. **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 as required by R.S. 24:523.

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

- B. **Procedure:** Observe that 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.

13) Information Technology Disaster Recovery/Business Continuity

- A. **Procedure:** Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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 procedure and discussed the results with management of Southeast Louisiana Legal Services Corporation.

- B. **Procedure:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

14) Prevention of Sexual Harassment

- A. **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: A private non-profit that is subject to audit by the 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.

- B. **Procedure:** Observe that 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 the 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.

- C. **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 that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Results: A private non-profit that is subject to audit by the 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 Parker, LLP

New Orleans, Louisiana

APPENDIX A

MANAGEMENT'S RESPONSE

APPENDIX A



SOUTHEAST LOUISIANA
LEGAL SERVICES

Free Legal Aid for Low-Income People

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

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June 30, 2023

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, 2022 through December 31, 2022.

Board or Finance Committee - Procedure 2

2021 Audit findings were communicated to the Board Finance and Audit Committee at the May 25, 2022, meeting. Management's response and plan of action were also communicated to the Board Finance and Audit Committee at this time, but there was no written documentation noted in subsequent meetings indicating that the Board Finance and Audit Committee received written updates of the progress of resolving the audit findings, according to management's corrective action plan, at each meeting until the findings were considered fully resolved.

Management Response: Audit findings and Management's response and plan of action were verbally communicated to the Board Audit and Finance Committee on May 25, 2022. The minutes for that meeting were reduced to writing and included in the Board materials for the September 2, 2022 Board meeting. The Board did not request further action.

Corrective Action Plan: Management will report in writing the results of the Independent Accountant's Report on Applying Agreed-Upon Procedures performed for the fiscal year January 1, 2022 through December 31, 2022 and Management's Corrective Action Plan at its next regularly scheduled Board meeting and will make a report on the status of the corrective action plan a standard report at each board meeting until next year's audit is completed and the issue is considered fully resolved.

Bank Reconciliations – Procedure 3

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 August 31, 2022. Eight reconciling items totaling \$60,991.57 from August 26, 2020, were noted on the August 2022 bank reconciliation.



Management Response: Financial staff have maintain a log of outstanding checks. Financial Staff contact the requestor of checks exceeding ninety days from the date of issue on a quarterly basis to determine whether the checks need to be voided and/or reissued.

Corrective Action Plan: Financial staff have maintain a log of outstanding checks. Financial Staff contact the requestor of checks exceeding ninety days from the date of issue on a quarterly basis to determine whether the checks need to be voided and/or reissued. Financial Staff will then void the check and reissue checks as necessary. The Deputy Director will review the bank reconciliations and the log with the Chief Financial Officer when they meet each month in order to ensure compliance.

Thank you for your attention. Please let us know if any additional information is needed.

Sincerely

A handwritten signature in black ink that reads "Laura Tuggle". The signature is written in a cursive, flowing style.

Laura Tuggle
Executive Director
Southeast Louisiana Legal Services Corporation