

R E P O R T

SOUTHEAST LOUISIANA
LEGAL SERVICES CORPORATION

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2017 AND 2016

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

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DECEMBER 31, 2017 AND 2016

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INDEPENDENT AUDITOR'S REPORT

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April 26, 2018

Board of Directors of the
Southeast Louisiana Legal Services Corporation

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Report on the Financial Statements

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

We have audited the accompanying financial statements of Southeast Louisiana Legal Services Corporation (the Corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

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(1919-1985)

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(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
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Management's Responsibility for the Financial Statements

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

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Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Louisiana Legal Services Corporation as of December 31, 2017 and December 31, 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As discussed in Note 20 to the financial statements, the Corporation incorrectly recorded grant revenue during the year ended December 31, 2015. The Corporation has restated its beginning net asset amount for the year ended December 31, 2016, for the correction of the misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2018, on our consideration of Southeast Louisiana Legal Services Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Louisiana Legal Services Corporation's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	(Restated) <u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,002,142	\$ 1,010,363
Cash in escrow - client deposits	33,717	36,317
Certificates of deposit	54,279	52,247
Accounts receivable	647,178	726,485
Prepaid expenses and deposits	43,523	109,359
Total current assets	<u>1,780,839</u>	<u>1,934,771</u>
PROPERTY AND EQUIPMENT - NET	<u>540,138</u>	<u>516,864</u>
TOTAL ASSETS	<u>\$ 2,320,977</u>	<u>\$ 2,451,635</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 101,508	\$ 195,114
Due to Legal Services Corporation	11,713	-
Accrued taxes and expenses	212,612	211,619
Deferred revenue	10,229	145,087
Current maturities of long-term debt	49,277	49,019
Client court costs advanced	33,717	36,317
Total current liabilities	<u>419,056</u>	<u>637,156</u>
LONG-TERM LIABILITIES:		
Long-term debt, non-current portion	171,679	219,097
Compensated absences	267,112	276,345
Total long-term liabilities	<u>438,791</u>	<u>495,442</u>
Total liabilities	<u>857,847</u>	<u>1,132,598</u>
NET ASSETS:		
Unrestricted	447,910	497,051
Temporarily restricted		
Other	654,297	546,443
Investment in fixed assets	360,923	275,543
Total net assets	<u>1,463,130</u>	<u>1,319,037</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,320,977</u>	<u>\$ 2,451,635</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Grants and fees	\$ -	\$ 7,501,416	\$ 7,501,416
Interest	-	3,311	3,311
Donations	108,584	-	108,584
Other	30,460	-	30,460
Net assets released from restrictions	<u>7,311,493</u>	<u>(7,311,493)</u>	<u>-</u>
Total revenue and support	<u>7,450,537</u>	<u>193,234</u>	<u>7,643,771</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	3,584,232	-	3,584,232
Salaries - non-lawyers	1,098,638	-	1,098,638
Fringe benefits	<u>1,410,517</u>	<u>-</u>	<u>1,410,517</u>
Total personnel expenses	6,093,387	-	6,093,387
Contract services	519,953	-	519,953
Travel and training	104,851	-	104,851
Space costs	327,538	-	327,538
Supplies	101,146	-	101,146
Equipment	9,200	-	9,200
Depreciation	22,843	-	22,843
Litigation	35,746	-	35,746
Other	<u>285,014</u>	<u>-</u>	<u>285,014</u>
Total expenses	<u>7,499,678</u>	<u>-</u>	<u>7,499,678</u>
CHANGE IN NET ASSETS	(49,141)	193,234	144,093
NET ASSETS AT BEGINNING OF YEAR (PREVIOUSLY REPORTED)	497,051	821,986	1,319,037
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS AT BEGINNING OF YEAR (RESTATEMENT)	<u>497,051</u>	<u>821,986</u>	<u>1,319,037</u>
NET ASSETS AT END OF YEAR	<u>\$ 447,910</u>	<u>\$ 1,015,220</u>	<u>\$ 1,463,130</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	(Restated)		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Grants and fees	\$ -	\$ 6,896,364	\$ 6,896,364
Interest	-	1,050	1,050
Donations	40,273	-	40,273
Other	22,250	-	22,250
Net assets released from restrictions	<u>6,581,996</u>	<u>(6,581,996)</u>	<u>-</u>
Total revenue and support	<u>6,644,519</u>	<u>315,418</u>	<u>6,959,937</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	3,118,642	-	3,118,642
Salaries - non-lawyers	1,068,580	-	1,068,580
Fringe benefits	<u>1,224,470</u>	<u>-</u>	<u>1,224,470</u>
Total personnel expenses	5,411,692	-	5,411,692
Contract services	420,823	-	420,823
Travel and training	101,202	-	101,202
Space costs	318,499	-	318,499
Supplies	84,902	-	84,902
Equipment	35,591	-	35,591
Depreciation	20,582	-	20,582
Litigation	20,254	-	20,254
Other	<u>202,854</u>	<u>-</u>	<u>202,854</u>
Total expenses	<u>6,616,399</u>	<u>-</u>	<u>6,616,399</u>
CHANGE IN NET ASSETS	28,120	315,418	343,538
NET ASSETS AT BEGINNING OF YEAR (PREVIOUSLY REPORTED)	468,931	567,798	1,036,729
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(61,230)</u>	<u>(61,230)</u>
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	<u>468,931</u>	<u>506,568</u>	<u>975,499</u>
NET ASSETS AT END OF YEAR	<u>\$ 497,051</u>	<u>\$ 821,986</u>	<u>\$ 1,319,037</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	(Restated) <u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 144,093	\$ 343,538
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	22,843	20,582
(Increase) decrease in operating assets:		
Client deposits	2,600	(4,222)
Grants and other receivables	79,307	(386,070)
Prepaid expenses and deposits	65,836	(69,380)
Increase (decrease) in operating liabilities:		
Accounts payable	(93,606)	173,398
Due to Legal Services Corporation	11,713	-
Accrued taxes and expenses	993	48,664
Deferred revenue	(134,858)	83,857
Compensated absences	(9,233)	17,314
Client court costs advanced	(2,600)	4,222
	<u>87,088</u>	<u>231,903</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(46,117)	(5,166)
Reinvestment of interest	(2,032)	-
	<u>(48,149)</u>	<u>(5,166)</u>
Net cash used by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payment of long-term debt	(47,160)	(42,590)
	<u>(47,160)</u>	<u>(42,590)</u>
Net cash used by financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,221)	184,147
Cash and cash equivalents - beginning of year	<u>1,010,363</u>	<u>826,216</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,002,142</u>	<u>\$ 1,010,363</u>
Cash paid during the year for interest	<u>\$ 20,122</u>	<u>\$ 19,515</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements for Not-for-Profit Entities*. Under ASC 958-205, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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 furniture and equipment is provided over the estimated useful lives of the respective assets (three to ten years) using the straight-line method.

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.

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.

Restricted and Unrestricted Revenue and Support:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by donors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions." Revenues other than Legal Services Corporation grant revenue are recognized as earned in accordance with approved contracts.

In accordance with ASC 958-605, *Revenue Recognition of Not-for-Profit Entities*, Southeast Louisiana Legal Services Corporation recognizes annualized grant funds from Legal Services Corporation as support on a straight-line basis over the grant period. Funds remaining unexpended at the end of an accounting period are recorded as temporarily restricted net assets. Subject to the provisions of Legal Services Corporation's fund balance regulations, Southeast Louisiana Legal Services Corporation may use unspent funds in future periods as long as expenses incurred are in compliance with the specified terms of the Legal Services grant, as defined. Legal Services Corporation may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by Southeast Louisiana Legal Services Corporation with the terms of the grant. In addition, if Southeast Louisiana Legal Services Corporation terminates its Legal Services grant activities, all unexpended funds are to be returned to Legal Services Corporation.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Restricted and Unrestricted Revenue and Support: (Continued)

The Corporation is funded principally through grants from Legal Services Corporation, a non-profit corporation established by Congress to administer a nationwide legal assistance program. The Corporation received greater than 10% of its funding from each of the following sources:

	<u>2017</u>	<u>2016</u>
Legal Services Corporation	43%	47%
Louisiana Bar Foundation	22%	21%

One-time grants can be awarded to support a specific event or project. These one-time grants that are essentially one-time infusions to the annualized grant should be recorded as support as eligible costs are incurred during the period specified in the grant. Until expenses are incurred for the restricted activity, one-time grants in this category are recorded in the Corporation's financial statements as deferred revenue on the statement of financial position. When a one-time grant or contract expires, the unexpended amount is to be returned to the Legal Services Corporation. As of December 31, 2017 and 2016, the Corporation had deferred revenue of \$10,229 and \$145,087, respectively, related to its one-time grants awarded by Legal Services Corporation.

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.

Functional Expenses:

Expenses presented in Footnote 16, Functional Expenses, are allocated between program and supporting services. The Corporation allocates expenses based on estimates by management of the costs involved.

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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

The Corporation's federal Return of Organization Exempt from Income Tax Return Form 990 for 2017, 2016, and 2015, are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates:

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

2. CASH AND CASH EQUIVALENTS:

At December 31, 2017, the carrying amount of the Corporation's cash deposits was \$1,002,142 and the bank balance was \$1,164,882. At December 31, 2016, the carrying amount of the Corporation's cash deposits was \$1,010,363 and the bank balance was \$1,036,593. Balances for 2017 and 2016 were covered by federal depository insurance or by collateral consisting of securities held in joint custody.

3. CLIENT DEPOSITS:

Southeast Louisiana Legal Services Corporation has two accounts referred to as client trusts. This money belongs to third persons. It contains money collected from the Corporation's clients to pay litigation expenses such as court costs, money received from clients to settle their case, and money received from third parties on behalf of clients. These deposits are segregated from the Corporation's funds. At December 31, 2017 and 2016, the carrying amount of the Southeast Louisiana Legal Services Corporation's client deposits was \$33,717 and \$36,317, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

4. FAIR VALUE MEASUREMENT:

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

	Quoted Prices In Active Markets for Identical Assets <u>(Level 1)</u>	<u>Fair Value Measurement of Reporting Date</u>		
		Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>	
		Certificates of deposit		
		December 31, 2017	\$ -	\$ 54,279
December 31, 2016	\$ -	\$ 52,247		

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

5. PROPERTY AND EQUIPMENT:

An analysis of the activity for property and equipment, net of accumulated depreciation, is as follows for the year ended December 31, 2017:

	<u>Balance 1/1/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/17</u>
Capital assets not being depreciated:				
Land	\$ 59,200	\$ -	\$ -	\$ 59,200
Total capital assets not being depreciated	<u>59,200</u>	<u>-</u>	<u>-</u>	<u>59,200</u>
Capital assets being depreciated:				
Building	547,982	-	-	547,982
Leasehold improvement	2,943	36,707	-	39,650
Equipment	125,744	9,410	-	135,154
Total capital assets being depreciated	<u>676,669</u>	<u>46,117</u>	<u>-</u>	<u>722,786</u>
Less: accumulated depreciation	<u>(219,005)</u>	<u>(22,843)</u>	<u>-</u>	<u>(241,848)</u>
Total capital assets, net	<u>\$ 516,864</u>	<u>\$ 23,274</u>	<u>\$ -</u>	<u>\$ 540,138</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

5. PROPERTY AND EQUIPMENT: (Continued)

An analysis of the activity for property and equipment, net of accumulated depreciation, is as follows for the year ended December 31, 2016:

	Balance 1/1/16	Additions	Deletions	Balance 12/31/16
Capital assets not being depreciated:				
Land	\$ 59,200	\$ -	\$ -	\$ 59,200
Total capital assets not being depreciated	<u>59,200</u>	<u>-</u>	<u>-</u>	<u>59,200</u>
Capital assets being depreciated:				
Building	547,982	-	-	547,982
Leasehold improvement	2,943	-	-	2,943
Equipment	120,578	5,166	-	125,744
Total capital assets being depreciated	671,503	5,166	-	676,669
Less: accumulated depreciation	(198,423)	(20,582)	-	(219,005)
Total capital assets, net	<u>\$ 532,280</u>	<u>\$ (15,416)</u>	<u>\$ -</u>	<u>\$ 516,864</u>

Depreciation expense for the years ended December 31, 2017 and 2016, was \$22,843 and \$20,582, respectively.

6. OPERATING LEASES:

Southeast Louisiana Legal Services Corporation has operating lease agreements for the rental of office space for its operations. Rental expense charged to operations totaled \$259,803 and \$256,691 for the years ended December 31, 2017 and 2016, respectively. The operating lease for the Corporation's Hammond, Louisiana, office expired on April 30, 2017, and was extended until April 30, 2018. The operating lease for the Corporation's Covington, Louisiana, office expires on January 31, 2021. The operating lease for the Corporation's Harvey, Louisiana, office expires on November 30, 2019. The operating lease for the Corporation's Houma, Louisiana, office expires on December 31, 2018. The operating lease for the Corporation's New Orleans, Louisiana, office expires March 31, 2018. On September 21, 2017, the Corporation's New Orleans, Louisiana, office entered into an operating lease to relocate the New Orleans office, effective April 1, 2018. The new office lease expires on September 30, 2023. Future minimum lease payments are as follows:

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

6. OPERATING LEASES: (Continued)

Year Ending December 31,	
2018	\$ 225,625
2019	227,406
2020	194,165
2021	174,304
2022	173,550
Thereafter	130,163
	<u>\$ 1,125,213</u>

7. LONG-TERM DEBT:

On October 26, 2011, Southeast Louisiana Legal Services Corporation obtained long-term financing for an office building located in Baton Rouge, Louisiana, in the original amount of \$480,000. The loan accrues interest at the current prime index rate plus 2%. Under no circumstances will the interest rate be less than 4.50%. The rate at December 31, 2017 and 2016, was 6.25% and 5.50%, respectively. The note payable is secured by the building and land costing \$607,182. At December 31, 2017 and 2016, the balance on the loan was \$220,956 and \$268,116 respectively. Future mortgage payments are as follows:

Year Ending December 31,	
2018	\$ 49,277
2019	52,556
2020	56,052
2021	63,071
	<u>\$ 220,956</u>

Interest expense relating to this loan was \$20,122 and \$19,515 for the year ended December 31, 2017 and 2016, respectively.

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 services 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 \$267,112 and \$276,345 in compensated absences at December 31, 2017 and 2016, respectively.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

9. PRIVATE ATTORNEY INVOLVEMENT:

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

A schedule of private attorney involvement expenses across all funds for the years ended December 31, 2017 and 2016, is listed below:

	<u>2017</u>	<u>2016</u>
Personnel:		
Salaries - lawyers	\$ 301,609	\$ 229,631
Salaries - non-lawyers	129,501	80,231
Fringe benefits	131,716	91,511
Contract services	159,386	159,114
Travel and training	9,652	7,489
Space costs	30,153	23,570
Supplies	9,312	6,283
Equipment	1,714	3,016
Litigation	3,291	1,499
Other	<u>22,948</u>	<u>13,567</u>
Total Private Attorney Involvement (PAI) Expenses	<u>\$ 799,282</u>	<u>\$ 615,911</u>

10. ADVERTISING:

Southeast Louisiana Legal Services Corporation's policy is to expense all advertising fees as incurred. Advertising expense for the years ended December 31, 2017 and 2016, was \$866 and \$630 respectively.

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, 2017 and 2016.

12. SUBGRANT AGREEMENTS:

The Corporation entered into several subgrant agreements with the Pro Bono Project and the Baton Rouge Bar Foundation using funding received from Legal Services Corporation. The agreement with the Pro Bono Project is to provide attorney representation - pro bono. The contract

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

12. SUBGRANT AGREEMENTS: (Continued)

period for the Pro Bono Project for the year ended December 31, 2017 is for the period February 1, 2017 through December 31, 2017. The contract period for the Pro Bono Project for the year ended December 31, 2016 is for the period February 1, 2016 through December 31, 2016. The subgrant agreements, approved by Legal Services Corporation, totaled \$63,000 for both December 31, 2017 and 2016. The subgrant agreement with the Baton Rouge Bar Foundation is to provide attorney representation - pro bono. For the year ended December 31, 2017, the agreement was for the period February 1, 2017 through December 31, 2017. The subgrant agreement for the year ended December 31, 2016 was for the period February 1, 2016 through December 31, 2016. The subgrant agreements approved by Legal Services Corporation, totaled \$52,000 for both December 31, 2017 and 2016. 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.

The Corporation also entered into a subgrant agreement during the years ended December 31, 2017 and 2016 to the Pro Bono Project in the amount of \$55,000 each year under the Pro Bono Innovation Fund. The contract period for the Pro Bono Innovation Fund was for a twenty four month period which began on October 1, 2015, and ended on September 30, 2017. This amount is not included in the private attorney percentage of 12.5%.

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. Also, full vesting of benefits occurs after four years of employment. Covered employees may voluntarily contribute up to the lesser of (1) 20% of compensation, less 3% employer contribution, or (2) \$18,000 (\$24,000 over 50 years of age) less 3% employer contribution. The 2017 and 2016 employer contribution rates remain unchanged from the prior years. The employer contribution for the years ended December 31, 2017 and 2016, totaled \$114,143 and \$94,240 respectively.

14. FEDERAL AND STATE GRANTS:

The Corporation's participation in federal and state grant programs are 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, 2017 and 2016, 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, 2017 AND 2016

15. LIMITATION OF FEDERAL CARRYOVER FUNDS:

The Legal Services Corporation limits the federal Legal Services Corporation fund balance carryover to 10% of the annualized grant award. Any excess carryover must be returned to the Legal Services Corporation. This percentage may be increased to 25% if a waiver of the restriction is submitted and approved. The Corporation did not have excess carryover funds for the years ended December 31, 2017 and 2016.

16. FUNCTIONAL EXPENSES:

Functional expenses for the years ended December 31, 2017 and 2016, consist of the following:

	2017			
	Total	Legal Services	Management and General	Fundraising
Personnel				
Salaries - lawyers	\$ 3,584,232	\$ 3,399,486	\$ 179,494	\$ 5,252
Salaries - non-lawyers	1,098,638	1,021,000	77,400	238
Fringe benefits	1,410,517	1,330,352	78,488	1,677
Total personnel benefits	<u>6,093,387</u>	<u>5,750,838</u>	<u>335,382</u>	<u>7,167</u>
Contract services	519,953	519,156	780	17
Travel and training	104,851	98,976	5,752	123
Space costs	327,538	309,186	17,968	384
Supplies	101,146	95,478	5,549	119
Equipment	9,200	8,684	505	11
Depreciation	22,843	21,563	1,253	27
Litigation	35,746	35,746	-	-
Other	285,014	274,678	10,120	216
Total expenses	<u>\$ 7,499,678</u>	<u>\$ 7,114,305</u>	<u>\$ 377,309</u>	<u>\$ 8,064</u>
	2016			
	Total	Legal Services	Management and General	Fundraising
Personnel				
Salaries - lawyers	\$ 3,118,642	\$ 2,930,537	\$ 181,130	\$ 6,975
Salaries - non-lawyers	1,068,580	993,359	75,000	221
Fringe benefits	1,224,470	1,142,854	79,836	2,231
Total personnel benefits	<u>5,411,692</u>	<u>5,066,750</u>	<u>335,516</u>	<u>9,427</u>
Contract services	420,823	419,870	927	26
Travel and training	101,202	94,413	6,604	185
Space costs	318,499	297,132	20,784	583
Supplies	84,902	79,207	5,540	155
Equipment	35,591	33,204	2,323	64
Depreciation	20,582	19,201	1,343	38
Litigation	20,254	20,254	-	-
Other	202,854	195,649	7,008	197
Total expenses	<u>\$ 6,616,399</u>	<u>\$ 6,225,680</u>	<u>\$ 380,045</u>	<u>\$ 10,675</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

17. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
AARP Foundation	\$ 3,529	\$ 39,776
Albert and Elaine Borchard Foundation - Fellow	63,909	32,885
AMIkids	-	5,250
Baptist Community Ministries	51,223	50,372
Baptist Community Ministries - Flood	-	16,349
Baton Rouge Area Foundation - Successions Collaborative	143,996	59,688
BRCC - Single Stop USA	-	3,601
Bayou Region GNOF	24,675	-
Berkley Law - Fellowship	7,692	-
Catholic Charities	-	1,453
Equal Justice Works - Fellow	-	6,150
Gillis Long Poverty Law Center - Fellow	-	19,031
Greater New Orleans Fair Housing Action Center	-	20,000
Greater New Orleans Foundation	5,967	9,248
Greater New Orleans Foundation - Disaster Legal Relief	4,660	50,000
Greater New Orleans Foundation - Title Clearing	3,179	3,179
Irene W. and C.B Pennington Foundation	7,599	15,000
Legal Services Corporation - Basic Field Grant	-	11,068
Louisiana Bar Foundation - Child Welfare Fellowship	7,876	-
Louisiana Bar Foundation - CPP Houma	3,111	4,378
Louisiana Bar Foundation - CPP Northshore	4,483	4,483
Louisiana Bar Foundation - CPP Southshore	3,173	3,173
Louisiana Bar Foundation - Fellow	-	13,547
Louisiana Bar Foundation - Flood	1,626	17,734
Louisiana Bar Foundation - IOLTA	73,639	-
Louisiana Bar Foundation - SRL Lafourche 2016-079	1,731	2,311
Louisiana Bar Foundation - SRL St. Charles 2017-062	442	-
Louisiana Bar Foundation - SRL St. Tammany 2016-078	3,251	-
Louisiana Disaster Recovery Alliance	22,167	-
New Orleans Bar Foundation - Fellow	50,000	50,000
Skadden Fellowship Foundation	-	471
Start Corporation	51,751	40,835
State of Louisiana - Road Home Grant	36,388	36,388
The Hope Center, Inc	525	525
Tulane Law School - Lutz Fellow AK	4,988	-
Tulane Law School - Lutz Fellow JW	4,375	4,375
Tulane Law School - Lutz Fellow MF	9,500	-
United Way - Capital Area	2,190	19,806
United Way - St. Charles	-	4,367
United Way - Disaster	56,652	-
Volunteers of America - New Orleans	-	1,000
	<u>654,297</u>	<u>546,443</u>
Investment in Fixed Assets	360,923	275,543
Total Temporarily Restricted	<u>\$ 1,015,220</u>	<u>\$ 821,986</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

18. NET ASSETS DEFICIT BALANCE:

As of December 31, 2017, the Pro Bono Transformation, Louisiana Bar Foundation – Child in Need of Care, Lafourche Council on Aging, and Plaquemine Council on Aging have deficit unrestricted net asset balances in the amounts of \$20,697, \$12,432, \$196, and \$178, respectively. As of December 31, 2016 the Louisiana Bar Foundation IOLTA, West Tennessee LS HUD Counseling, the Louisiana Bar Foundation SRL St. Tammany 2016-078, Louisiana Bar Foundation Child in Need of Care, Lafourche Council on Aging, East Baton Rouge Council on Aging, Plaquemine Council on Aging, and Vanderbilt Fellowship have deficit unrestricted net asset balances in the amounts of \$59,006, \$2,207, \$1,506, \$1,345, \$98, \$6,506, \$178, and \$2,308, respectively. The Corporation intends to cover these deficit balances with future operating revenues.

19. DATE OF MANAGEMENT’S REVIEW:

Management has evaluated subsequent events from the balance sheet date through April 26, 2018, the date the financial statements were available to be issued, and has determined there were no items to disclose.

20. PRIOR PERIOD ADJUSTMENT/RESTATEMENT:

During the year ended December 31, 2017, the Corporation received notification from Legal Services Corporation that unspent grant funds at December 31, 2016, should be reported as deferred revenue rather than temporarily restricted net assets for the following LSC grants: TIG #12035, TIG #13032, TIG #14005, Emergency Relief One-Time Grant, and Pro Bono Innovation Grant. As a result, the 2016 financial statements have been restated to reflect this change. The prior period adjustment resulted in decreasing the net assets at the beginning of 2016 and increasing deferred revenue by \$61,230.

The effect of the restatement on the change in net assets as of and for the year ended December 31, 2016, is as follows:

	<u>As previously reported</u>	<u>Restated</u>
Deferred revenue	\$ -	\$ 145,087
Net Assets:		
Temporarily restricted - other	691,530	546,443
Grants and fees	6,980,221	6,896,364
Change in net assets	427,395	343,538

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

21. RECLASSIFICATIONS:

Certain 2016 amounts have been reclassified to conform to the 2017 financial statement pre-sentation. Net assets are unchanged due to these reclassifications.

22. ECONOMIC DEPENDENCY:

As of December 31, 2017 and 2016, approximately 65% and 68%, respectively, of the Corporation's funding is provided through grants administered by the Legal Services Corporation and the Louisiana Bar Foundation. If significant budget cuts are incurred by either of the aforementioned grantors, the amount of funds received by the Corporation could be significantly reduced and adversely affect the Corporation's operations. Management is not aware of any actions that will adversely affect the amount of funding to be received by the Corporation in the next fiscal year.

SUPPLEMENTARY INFORMATION

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO EXECUTIVE DIRECTOR
DECEMBER 31, 2017

Agency Head Name: Laura Tuggle, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 102,000
FICA	7,803
Benefits - insurance	10,114
Benefits - retirement	3,060
Benefits - compensated absences	-
Car allowance	-
Vehicle provided by government	-
Per diem	320
Reimbursements	2,900
Travel	3,805
Registration fees (Bar dues)	1,670
Conference travel	2,681
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Cell phone	-
Dues	435
	\$ 134,788

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Legal Services Corporation - LA 13		
	Basic Field Grant	Private Attorney Involvement	Total
UNRESTRICTED NET ASSETS:			
REVENUE AND SUPPORT:			
Grants and fees	\$ 3,000,372	\$ -	\$ 3,000,372
Interest	3,311	-	3,311
Donations	-	-	-
Other	11,837	-	11,837
Total revenue and support	3,015,520	-	3,015,520
EXPENSES:			
Personnel:			
Salaries - lawyers	968,749	64,487	1,033,236
Salaries - non-lawyers	690,499	129,501	820,000
Fringe benefits	520,358	113,576	633,934
Total personnel expenses	2,179,606	307,564	2,487,170
Contract services	27,850	119,386	147,236
Travel and training	31,840	9,653	41,493
Space costs	153,621	30,153	183,774
Supplies	28,998	9,312	38,310
Equipment	-	-	-
Depreciation	-	-	-
Litigation	1,709	3,291	5,000
Other	106,924	16,681	123,605
Total expenses	2,530,548	496,040	3,026,588
CHANGE IN NET ASSETS	484,972	(496,040)	(11,068)
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	1,913,279	(1,902,211)	11,068
TRANSFERS BETWEEN FUNDS	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-
UNRESTRICTED NET ASSETS - END OF YEAR	\$ -	\$ -	\$ -
TEMPORARILY RESTRICTED NET ASSETS - END OF YEAR	\$ 2,398,251	\$ (2,398,251)	\$ -

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Legal Services <u>Corporation</u> Technical Initiative <u>Grant #12035</u>	Legal Services <u>Corporation</u> Technical Initiative <u>Grant #13032</u>	Legal Services <u>Corporation</u> Technical Initiative <u>Grant # 14005</u>	Legal Services <u>Corporation</u> Emergency Relief One <u>Time Grant</u>	Legal Services <u>Corporation</u> Probono Innovation <u>Grant</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 587	\$ 3,285	\$ 863	\$ 100,000	\$ 145,618
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>587</u>	<u>3,285</u>	<u>863</u>	<u>100,000</u>	<u>145,618</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	461	2,556	677	75,103	44,272
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	126	729	186	24,238	30,359
Total personnel expenses	<u>587</u>	<u>3,285</u>	<u>863</u>	<u>99,341</u>	<u>74,631</u>
Contract services	-	-	-	-	59,564
Travel and training	-	-	-	-	5,462
Space costs	-	-	-	-	-
Supplies	-	-	-	-	521
Equipment	-	-	-	659	1,415
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	-	-	-	4,025
Total expenses	<u>587</u>	<u>3,285</u>	<u>863</u>	<u>100,000</u>	<u>145,618</u>
CHANGE IN NET ASSETS	-	-	-	-	-
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	-	-	-	-	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TEMPORARILY RESTRICTED NET ASSETS- END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Gillis Long <u>Law Center</u>	Louisiana Disaster Recovery <u>Alliance</u>	<u>LBF CPP</u>	Delgado Single <u>Stop</u>	LBF Flood <u>Grant</u>	<u>LBF Fellow</u>	LBF CPP <u>Houma</u>	Louisiana Bar Foundation Community Partnership Panel Grant <u>Southshore</u>
\$	102,271	\$ 22,500	\$ 5,000	\$ 15,000	\$ 25,000	\$ 15,000	\$ -	\$ -
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	<u>102,271</u>	<u>22,500</u>	<u>5,000</u>	<u>15,000</u>	<u>25,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
	-	253	-	15,000	30,356	28,547	963	-
	102,271	-	-	-	-	-	-	-
	-	80	-	-	10,752	-	304	-
	<u>102,271</u>	<u>333</u>	<u>-</u>	<u>15,000</u>	<u>41,108</u>	<u>28,547</u>	<u>1,267</u>	<u>-</u>
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	5,000	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	<u>102,271</u>	<u>333</u>	<u>5,000</u>	<u>15,000</u>	<u>41,108</u>	<u>28,547</u>	<u>1,267</u>	<u>-</u>
	-	22,167	-	-	(16,108)	(13,547)	(1,267)	-
	-	-	-	-	17,734	13,547	4,378	3,173
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ 22,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626</u>	<u>\$ -</u>	<u>\$ 3,111</u>	<u>\$ 3,173</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Louisiana Bar Foundation Community Partnership Panel Grant <u>Capital Funds</u>	Louisiana Bar Foundation Community Partnership Panel Grant <u>Northshore</u>	Louisiana Bar Foundation <u>IOLTA</u>	Equal Justice Works Fellow	Skadden Fellowship Foundation
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 25,000	\$ -	\$ 933,718	\$ 19,950	\$ -
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>25,000</u>	<u>-</u>	<u>933,718</u>	<u>19,950</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	-	-	541,832	26,100	-
Salaries - non-lawyers	-	-	38,430	-	-
Fringe benefits	-	-	159,399	-	471
Total personnel expenses	<u>-</u>	<u>-</u>	<u>739,661</u>	<u>26,100</u>	<u>471</u>
Contract services	-	-	-	-	-
Travel and training	-	-	2,212	-	-
Space costs	-	-	37,625	-	-
Supplies	-	-	7,750	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	16,122	-	13,825	-	-
Total expenses	<u>16,122</u>	<u>-</u>	<u>801,073</u>	<u>26,100</u>	<u>471</u>
CHANGE IN NET ASSETS	8,878	-	132,645	(6,150)	(471)
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	-	4,483	(59,006)	6,150	471
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	<u>(8,878)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TEMPORARILY RESTRICTED NET ASSETS- END OF YEAR	<u>\$ -</u>	<u>\$ 4,483</u>	<u>\$ 73,639</u>	<u>\$ -</u>	<u>\$ -</u>

<u>West Tennessee LS HUD Counseling</u>	<u>Equal Justice America Law Clerks</u>	<u>NOBF Fellow</u>	<u>Irene W. and C.B. Pennington Foundation</u>	<u>BRCC Single Stop USA</u>	<u>Catholic Charities</u>	<u>Capital Area Medical-Legal Partnership</u>	<u>NOBF Veterans Fellow</u>
\$ 11,515	\$ 5,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 105,172	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>11,515</u>	<u>5,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,172</u>	<u>-</u>
6,188	-	-	5,075	3,601	-	44,667	46,308
-	4,940	-	-	-	-	28,600	-
2,073	60	-	1,598	-	-	22,359	3,692
<u>8,261</u>	<u>5,000</u>	<u>-</u>	<u>6,673</u>	<u>3,601</u>	<u>-</u>	<u>95,626</u>	<u>50,000</u>
-	-	-	-	-	-	-	-
-	-	-	728	-	-	1,603	-
1,047	-	-	-	-	-	7,943	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>9,308</u>	<u>5,000</u>	<u>-</u>	<u>7,401</u>	<u>3,601</u>	<u>-</u>	<u>105,172</u>	<u>50,000</u>
2,207	-	50,000	(7,401)	(3,601)	-	-	(50,000)
(2,207)	-	-	15,000	3,601	1,453	-	50,000
-	-	-	-	-	(1,453)	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 7,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	NOFJA DV Transitional <u>Housing</u>	<u>JRAP</u>	Jefferson Parish <u>ESG</u>	SRL St. Tammany <u>2016-078</u>	SRL Lafourche <u>2016-079</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 158	\$ 43,620	\$ 12,343	\$ 9,200	\$ 8,000
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>158</u>	<u>43,620</u>	<u>12,343</u>	<u>9,200</u>	<u>8,000</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	120	27,758	8,440	3,421	5,984
Salaries - non-lawyers	-	-	1,066	-	-
Fringe benefits	38	8,743	2,739	1,022	688
Total personnel expenses	<u>158</u>	<u>36,501</u>	<u>12,245</u>	<u>4,443</u>	<u>6,672</u>
Contract services	-	6,000	-	-	-
Travel and training	-	781	-	-	608
Space costs	-	-	-	-	-
Supplies	-	-	98	-	1,300
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	338	-	-	-
Total expenses	<u>158</u>	<u>43,620</u>	<u>12,343</u>	<u>4,443</u>	<u>8,580</u>
CHANGE IN NET ASSETS	-	-	-	4,757	(580)
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	-	-	-	(1,506)	2,311
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TEMPORARILY RESTRICTED NET ASSETS- END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,251</u>	<u>\$ 1,731</u>

Baptist Community Ministries <u>Flood</u>	Borchard <u>Fellow</u>	SRL St. Charles <u>2017-062</u>	BRAF Successions <u>Collaborative</u>	Healing Place <u>Serve</u>	Berkley Law <u>Fellowship</u>	Pro Bono <u>Transformation</u>	<u>Lutz-MF</u>
\$ -	\$ 50,000	\$ 4,000	\$ 412,500	\$ 2,152	\$ 20,000	\$ -	\$ 9,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>50,000</u>	<u>4,000</u>	<u>412,500</u>	<u>2,152</u>	<u>20,000</u>	<u>-</u>	<u>9,500</u>
12,076	18,976	1,527	127,829	1,159	12,308	15,068	-
-	-	-	-	-	-	-	-
4,213	-	481	40,632	325	-	4,746	-
<u>16,289</u>	<u>18,976</u>	<u>2,008</u>	<u>168,461</u>	<u>1,484</u>	<u>12,308</u>	<u>19,814</u>	<u>-</u>
-	-	-	130,715	-	-	-	-
-	-	350	198	83	-	-	-
-	-	-	23,504	331	-	-	-
60	-	1,200	5,047	165	-	34	-
-	-	-	-	-	-	849	-
-	-	-	-	-	-	-	-
-	-	-	(100)	-	-	-	-
-	-	-	367	89	-	-	-
<u>16,349</u>	<u>18,976</u>	<u>3,558</u>	<u>328,192</u>	<u>2,152</u>	<u>12,308</u>	<u>20,697</u>	<u>-</u>
(16,349)	31,024	442	84,308	-	7,692	(20,697)	9,500
16,349	32,885	-	59,688	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,697)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 63,909</u>	<u>\$ 442</u>	<u>\$ 143,996</u>	<u>\$ -</u>	<u>\$ 7,692</u>	<u>\$ -</u>	<u>\$ 9,500</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Lutz-AK</u>	<u>LBF Child Welfare Fellowship</u>	<u>VOA Elder</u>	<u>United Way Disaster</u>	<u>Bayou Region GNOF</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 9,500	\$ 15,000	\$ 488	\$ 56,652	\$ 25,000
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>9,500</u>	<u>15,000</u>	<u>488</u>	<u>56,652</u>	<u>25,000</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	2,134	7,124	263	-	247
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	2,378	-	74	-	78
Total personnel expenses	<u>4,512</u>	<u>7,124</u>	<u>337</u>	<u>-</u>	<u>325</u>
Contract services	-	-	-	-	-
Travel and training	-	-	19	-	-
Space costs	-	-	75	-	-
Supplies	-	-	37	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	-	20	-	-
Total expenses	<u>4,512</u>	<u>7,124</u>	<u>488</u>	<u>-</u>	<u>325</u>
CHANGE IN NET ASSETS	4,988	7,876	-	56,652	24,675
NET ASSETS AT					
BEGINNING OF YEAR (RESTATED)	-	-	-	-	-
TRANSFERS BETWEEN FUNDS					
	-	-	-	-	-
INVESTMENT IN FIXED ASSETS					
	-	-	-	-	-
UNRESTRICTED NET ASSETS -					
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TEMPORARILY RESTRICTED NET ASSETS-					
END OF YEAR	<u>\$ 4,988</u>	<u>\$ 7,876</u>	<u>\$ -</u>	<u>\$ 56,652</u>	<u>\$ 24,675</u>

Capital Area Agency on Aging	St. Tammany Council on Aging	Livingston Parish Council on Aging	AARP	State of Louisiana Road Home Grant	AmeriCorps	Louisiana Bar Foundation Child in Need of Care	Lafourche Council on Aging
\$ 16,411	\$ 20,899	\$ 6,415	\$ -	\$ -	\$ 40,929	\$ 635,001	\$ 1,748
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>16,411</u>	<u>20,899</u>	<u>6,415</u>	<u>-</u>	<u>-</u>	<u>40,929</u>	<u>635,001</u>	<u>1,748</u>
8,837	11,253	3,454	27,564	-	40,929	400,935	994
-	-	-	-	-	-	40,670	-
2,474	3,151	967	8,683	-	-	117,508	278
<u>11,311</u>	<u>14,404</u>	<u>4,421</u>	<u>36,247</u>	<u>-</u>	<u>40,929</u>	<u>559,113</u>	<u>1,272</u>
-	-	-	-	-	-	16,500	-
631	804	247	-	-	-	18,588	71
2,525	3,215	987	-	-	-	26,300	284
1,262	1,608	494	-	-	-	4,500	142
-	-	-	-	-	-	2,240	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
682	868	266	-	-	-	18,847	77
<u>16,411</u>	<u>20,899</u>	<u>6,415</u>	<u>36,247</u>	<u>-</u>	<u>40,929</u>	<u>646,088</u>	<u>1,846</u>
-	-	-	(36,247)	-	-	(11,087)	(98)
-	-	-	39,776	36,388	-	(1,345)	(98)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,432)</u>	<u>\$ (196)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,529</u>	<u>\$ 36,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Terrebonne Council on <u>Aging</u>	East Baton Rouge Council on <u>Aging</u>	St. John Council on <u>Aging</u>	St. Charles Council on <u>Aging</u>	Tulane Law School <u>Lutz Fellow-JW</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 2,495	\$ 19,456	\$ 1,398	\$ 1,515	\$ -
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>2,495</u>	<u>19,456</u>	<u>1,398</u>	<u>1,515</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	1,343	6,973	752	816	-
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	376	1,952	212	228	-
Total personnel expenses	<u>1,719</u>	<u>8,925</u>	<u>964</u>	<u>1,044</u>	<u>-</u>
Contract services	-	-	-	-	-
Travel and training	96	498	54	58	-
Space costs	384	1,993	215	233	-
Supplies	192	996	107	117	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	104	538	58	63	-
Total expenses	<u>2,495</u>	<u>12,950</u>	<u>1,398</u>	<u>1,515</u>	<u>-</u>
CHANGE IN NET ASSETS	-	6,506	-	-	-
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	-	(6,506)	-	-	4,375
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TEMPORARILY RESTRICTED NET ASSETS- END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,375</u>

Plaquemine Council <u>on Aging</u>	<u>Lutz-JW</u>	<u>Lutz-AL</u>	<u>Lutz-ET</u>	U.S. Department of Justice Assistance for Victims - <u>Orleans</u>	Baptist Community <u>Mission</u>	<u>AMikids</u>	Unity of Greater New Orleans Inc. <u>Hopwa</u>
\$ 1,840	\$ 19,806	\$ 13,100	\$ 19,300	\$ 216,974	\$ 72,302	\$ 4,450	\$ 25,624
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,000	-	-
<u>1,840</u>	<u>19,806</u>	<u>13,100</u>	<u>19,300</u>	<u>216,974</u>	<u>73,302</u>	<u>4,450</u>	<u>25,624</u>
990	11,000	10,639	19,300	91,507	21,170	6,790	19,713
-	-	-	-	-	-	-	-
278	8,806	2,461	-	24,316	5,780	1,935	5,911
<u>1,268</u>	<u>19,806</u>	<u>13,100</u>	<u>19,300</u>	<u>115,823</u>	<u>26,950</u>	<u>8,725</u>	<u>25,624</u>
-	-	-	-	101,151	39,488	-	-
71	-	-	-	-	-	-	-
283	-	-	-	-	3,301	975	-
142	-	-	-	-	1,912	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	800	-	-
76	-	-	-	-	-	-	-
<u>1,840</u>	<u>19,806</u>	<u>13,100</u>	<u>19,300</u>	<u>216,974</u>	<u>72,451</u>	<u>9,700</u>	<u>25,624</u>
-	-	-	-	-	851	(5,250)	-
(178)	-	-	-	-	50,372	5,250	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ (178)</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>\$ 51,223</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Unity of Greater New Orleans Inc. United Way Ending <u>Homelessness</u>	Unity of Greater New Orleans Inc. <u>SAMHSA</u>	Unity of Greater New Orleans Inc. Supportive <u>Housing</u>	New Orleans Office of Community Development <u>ESG</u>	Greater New Orleans <u>Foundation</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 40,000	\$ 42,722	\$ 21,431	\$ 49,457	\$ -
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>40,000</u>	<u>42,722</u>	<u>21,431</u>	<u>49,457</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	25,171	35,166	16,297	38,023	2,495
Salaries - non-lawyers	5,546	-	-	-	-
Fringe benefits	8,802	7,284	5,134	11,434	786
Total personnel expenses	<u>39,519</u>	<u>42,450</u>	<u>21,431</u>	<u>49,457</u>	<u>3,281</u>
Contract services	-	-	-	-	-
Travel and training	481	272	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	<u>40,000</u>	<u>42,722</u>	<u>21,431</u>	<u>49,457</u>	<u>3,281</u>
CHANGE IN NET ASSETS	-	-	-	-	(3,281)
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	-	-	-	-	9,248
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TEMPORARILY RESTRICTED NET ASSETS- END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,967</u>

Greater New Orleans Foundation <u>Title Clearing</u>	<u>Start Corporation</u>	CAAH <u>One Stop BR</u>	<u>GNOFHAC</u>	Vanderbilt <u>Fellow</u>	Gillis Long <u>Fellow</u>	GNOF <u>Disaster</u>	Internal Revenue <u>Service Grant</u>
\$ -	\$ 23,750	\$ 50,000	\$ -	\$ 30,000	\$ -	\$ -	100,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	23,750	50,000	-	30,000	-	-	100,000
-	8,133	45,199	-	27,692	11,349	11,617	96,745
-	-	-	-	-	-	22,862	-
-	2,562	4,692	-	-	7,682	10,861	-
-	10,695	49,891	-	27,692	19,031	45,340	96,745
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,255
-	2,139	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	109	-	-	-	-	-
-	-	-	-	-	-	-	-
-	12,834	50,000	-	27,692	19,031	45,340	100,000
-	10,916	-	-	2,308	(19,031)	(45,340)	-
3,179	40,835	-	20,000	(2,308)	19,031	50,000	-
-	-	-	(20,000)	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,179</u>	<u>\$ 51,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,660</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Other <u>Non-Federal</u>	United Way <u>Tangipahoa</u>	United Way New Orleans <u>Housing</u>	United Way <u>Donations</u>	United Way <u>Capital Area</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 5,000	\$ 20,000	\$ 50,000	\$ -	\$ -
Interest	-	-	-	-	-
Donations	1,749	-	-	2,677	-
Other	16,123	-	-	-	-
Total revenue and support	<u>22,872</u>	<u>20,000</u>	<u>50,000</u>	<u>2,677</u>	<u>-</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	16,123	20,000	50,000	-	-
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	-	-	-	2,677	-
Total personnel expenses	<u>16,123</u>	<u>20,000</u>	<u>50,000</u>	<u>2,677</u>	<u>-</u>
Contract services	-	-	-	-	-
Travel and training	-	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	7,495	-	-	-	17,616
Other	-	-	-	-	-
Total expenses	<u>23,618</u>	<u>20,000</u>	<u>50,000</u>	<u>2,677</u>	<u>17,616</u>
CHANGE IN NET ASSETS	(746)	-	-	-	(17,616)
NET ASSETS AT BEGINNING OF YEAR (RESTATED)	1,299	-	-	-	19,806
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ 553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TEMPORARILY RESTRICTED NET ASSETS- END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,190</u>

<u>Hope Center</u>	<u>VOCA Jefferson 2907</u>	<u>VOCA Washington 2906</u>	<u>VOCA New Orleans 2835</u>	<u>GNOFAC</u>	<u>United Way St. Charles</u>	<u>VOA New Orleans</u>	<u>VOA Face Forward</u>
\$ 30,914	\$ 129,810	\$ 78,397	\$ 26,896	\$ -	\$ 18,500	\$ -	\$ 766
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,500	-	-	-
<u>30,914</u>	<u>129,810</u>	<u>78,397</u>	<u>26,896</u>	<u>1,500</u>	<u>18,500</u>	<u>-</u>	<u>766</u>
21,640	91,487	35,689	22,696	-	16,834	-	419
-	-	25,343	-	-	-	-	-
6,167	26,880	14,496	4,200	-	-	-	132
<u>27,807</u>	<u>118,367</u>	<u>75,528</u>	<u>26,896</u>	<u>-</u>	<u>16,834</u>	<u>-</u>	<u>551</u>
-	-	-	-	-	-	-	-
-	262	1,471	-	-	1,658	-	-
3,107	-	-	-	-	4,375	-	215
-	9,113	206	-	-	-	-	-
-	-	1,192	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,068	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>30,914</u>	<u>129,810</u>	<u>78,397</u>	<u>26,896</u>	<u>-</u>	<u>22,867</u>	<u>-</u>	<u>766</u>
-	-	-	-	1,500	(4,367)	-	-
525	-	-	-	-	4,367	1,000	-
-	-	-	-	(1,500)	-	(1,000)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	Investment in Fixed Assets <u>Other</u>	Investment in Fixed Assets <u>Building</u>	<u>Total</u>
UNRESTRICTED NET ASSETS:				
REVENUE AND SUPPORT:				
Grants and fees	\$ 400,146	\$ -	\$ -	\$ 7,501,416
Interest	-	-	-	3,311
Donations	104,158	-	-	108,584
Other	-	-	-	30,460
Total revenue and support	<u>504,304</u>	<u>-</u>	<u>-</u>	<u>7,643,771</u>
EXPENSES:				
Personnel:				
Salaries - lawyers	156,869	-	-	3,584,232
Salaries - non-lawyers	8,910	-	-	1,098,638
Fringe benefits	154,895	-	-	1,410,517
Total personnel expenses	<u>320,674</u>	<u>-</u>	<u>-</u>	<u>6,093,387</u>
Contract services	19,299	-	-	519,953
Travel and training	22,797	-	-	104,851
Space costs	22,708	-	-	327,538
Supplies	20,833	-	-	101,146
Equipment	2,845	-	-	9,200
Depreciation	-	4,577	18,266	22,843
Litigation	2,758	-	-	35,746
Other	105,044	-	-	285,014
Total expenses	<u>516,958</u>	<u>4,577</u>	<u>18,266</u>	<u>7,499,678</u>
CHANGE IN NET ASSETS	(12,654)	(4,577)	(18,266)	144,093
NET ASSETS AT				
BEGINNING OF YEAR (RESTATED)	568,906	23,261	252,282	1,319,037
TRANSFERS BETWEEN FUNDS	23,953	-	-	-
INVESTMENT IN FIXED ASSETS	<u>(99,345)</u>	<u>46,117</u>	<u>62,106</u>	<u>-</u>
UNRESTRICTED NET ASSETS -				
END OF YEAR	<u>\$ 480,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,910</u>
TEMPORARILY RESTRICTED NET ASSETS-				
END OF YEAR	<u>\$ -</u>	<u>\$ 64,801</u>	<u>\$ 296,122</u>	<u>\$ 1,015,220</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

NOTE 1. PRIVATE ATTORNEY INVOLVEMENT COSTS

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

Louisiana Bar Foundation	\$ 267,983
Other Grants	<u>35,259</u>
	<u>\$ 303,242</u>

NOTE 2. NET ASSETS – UNRESTRICTED

Net Assets – Unrestricted consists of interest income, unrestricted contributions, and court filing fees.



Duplantier Hrapmann Hogan & Maher, LLP

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*

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April 26, 2018

Board of Directors of the
Southeast Louisiana Legal Services Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Southeast Louisiana Legal Services Corporation (a non-profit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 26, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

New Orleans, Louisiana



Duplantier Hrapmann Hogan & Maher, LLP

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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*

April 26, 2018

Board of Directors of the
Southeast Louisiana Legal Services Corporation

Report on Compliance for Each Major Federal Program

We have audited Southeast Louisiana Legal Services Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Legal Services Corporation Audit Guide and Compliance Supplement (the Audit Guide) that could have a direct and material effect on each of Southeast Louisiana Legal Services Corporation's major federal programs for the year ended December 31, 2017. Southeast Louisiana Legal Services Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

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Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southeast Louisiana Legal Services Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Legal Services Corporation Audit Guide and Compliance Supplement. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southeast Louisiana Legal Services Corporation's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Southeast Louisiana Legal Services Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

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

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

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>PROGRAM DEPARTMENT / TITLE</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Funds passed through West Tennessee Legal Services, Inc.:				
Housing Counseling Assistance Program	14.169		\$ 9,308	\$ -
Funds passed through Unity of Greater New Orleans, Inc.:				
Contium of Care Program - Supportive Services	14.267		21,431	-
Violence Against Women Act and Housing Opportunities for Persons with AIDS	14.241		25,624	-
Funds passed through Jefferson Parish:				
Emergency Solutions Grant	14.231		12,343	-
Funds passed through City of New Orleans:				
Emergency Solutions Grant	14.231		49,457	-
Funds passed through Housing Authority of New Orleans:				
Juvenile Reentry Assistance Program (JRAP)	14.897		43,620	6,000
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>161,783</u>	<u>6,000</u>
<u>LEGAL SERVICES CORPORATION</u>				
Basic Field	9.61908		3,026,588	115,000
Technical Initiative Grant	9.61908		4,735	-
Emergency Relief One-Time	9.61908		100,000	-
Pro Bono Innovation Grant	9.61908		145,618	59,564
TOTAL LEGAL SERVICES CORPORATION			<u>3,276,941</u>	<u>174,564</u>
<u>INTERNAL REVENUE SERVICE</u>				
LITC Program	21.008		100,000	-
TOTAL INTERNAL REVENUE SERVICE			<u>100,000</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Funds passed through Capital Area Agency on Aging:				
Title III B Supportive Services	93.044		16,411	-
Funds passed through St. Tammany Council on Aging:				
Title III B Supportive Services	93.044		20,899	-
Funds passed through Livingston Council on Aging:				
Title III B Supportive Services	93.044		6,415	-
Funds passed through Lafourche Council on Aging:				
Title III B Supportive Services	93.044		1,846	-

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Federal CFDA <u>Number</u>	Pass-Through Grantors' <u>Number</u>	Federal <u>Expenditures</u>	Subrecipient <u>Costs</u>
<u>U.S. DEPARTMENT OF HEALTH</u>				
<u>AND HUMAN SERVICES (Continued)</u>				
Funds passed through Terrebonne Council on Aging:				
Title III B Supportive Services	93.044		\$ 2,495	-
Funds passed through East Baton Rouge Council on Aging:				
Title III B Supportive Services	93.044		12,950	-
Fund passed through St. John Council on Aging:				
Title III B Supportive Services	93.044		1,398	-
Funds passed through St. Charles Council on Aging:				
Title III B Supportive Services	93.044		1,515	-
Funds passed through Plaquemine Council on Aging:				
Title III B Supportive Services	93.044		1,840	-
Funds passed through Unity of Greater New Orleans, Inc.:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		42,722	-
Funds passed through Healing Place Serve:				
Domestic Victims of Human Trafficking	93.327		2,152	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			110,643	-
 <u>U.S. DEPARTMENT OF JUSTICE</u>				
Legal Assistance for Victims	16.524		216,974	101,151
Funds passed through New Orleans Family Justice Alliance				
Transitional Housing Assistance	16.736		158	-
Funds passed through Louisiana Commission on Law Enforcement:				
Crime Victim Assistance	16.575		235,103	-
TOTAL U.S. DEPARTMENT OF JUSTICE			452,235	101,151
 <u>CORPORATION FOR NATIONAL</u>				
<u>AND COMMUNITY SERVICES</u>				
Funds passed through Equal Justice Works:				
Project Grants	94.006		26,100	-
Funds passed through AmeriCorps National:				
Project Grants	94.006		40,929	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			67,029	-

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Federal CFDA <u>Number</u>	Pass-Through Grantors' <u>Number</u>	Federal <u>Expenditures</u>	Subrecipient <u>Costs</u>
<u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>				
Funds passed through Start Corporation:				
Supportive Services for Veteran Families	64.033		\$ <u>12,834</u>	\$ <u>-</u>
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			<u>12,834</u>	<u>-</u>
 TOTAL FEDERAL EXPENDITURES			 <u>\$ 4,181,465</u>	 <u>\$ 281,715</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017. The information in the schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of Southeast Louisiana Legal Services Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Southeast Louisiana Legal Services Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

3. DE MINIMUS COST RATE:

During the year ended December 31, 2017, the Corporation did not elect to use the 10% de minimus 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, 2017.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE

D. PRIOR YEAR FINDINGS:

NONE

SOUTHEAST LOUISIANA
LEGAL SERVICES CORPORATION

HAMMOND, LOUISIANA

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

DECEMBER 31, 2017

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

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Duplantier Hrapmann Hogan & Maher, LLP

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

June 12, 2018

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

We have applied the procedures enumerated below which were agreed to by Southeast Louisiana Legal Services Corporation (the Corporation) and the Louisiana Legislative Auditor, on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures for the year ended December 31, 2017. The Corporation's management is responsible for the control and compliance areas identified in the Statewide Agreed Upon Procedures.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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- c) Disbursements, including processing, reviewing, and approving.
- d) Receipts, including receiving, recording, and preparing deposits.
- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Upon applying the agreed upon procedures above, we noted the following:

- The purchasing policy does not include how vendors are added to the vendor list and documentation required to be maintained for all bids and price quotes.
- The Corporation does not have a written credit card policy.
- The contracting policy does not include legal review procedures.

Management's Response

The Corporation will update its purchasing policy at its next Board meeting.

The Corporation does have references to how it handles credit card payments in its Accounting Manual. However, we do not have a standalone credit card policy. The Corporation will develop a written credit card policy to present for approval at its next Board meeting.

While the contracting policy does not include a reference to legal review procedures, both the Director and the Deputy Director are lawyers. They are the only Corporation staff with legal authority to sign contracts for the Corporation. All contracts get a legal review from an attorney before we sign them. We will add this explicitly to our Contracting Policy and present it at our next Board meeting.

Board

- 2) We obtained and reviewed the board/committee minutes for the fiscal period, and:
- a) determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) determined whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - c) determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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

Bank Reconciliations

- 3) We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

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

- 4) Using the listing provided by management, we selected one-third of the entity's bank accounts on a rotating basis. For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
- a) Bank reconciliations have been prepared;
 - b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation; and
 - c) Management had documentation reflecting that it had researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Upon applying the agreed upon procedures above, we noted the following:

- Bank reconciliations have not been prepared for the two savings accounts with interest only activities.
- The operating account has reconciling items over six months outstanding.

Management's Response

The Corporation will do bank reconciliations for these two interest only accounts. The Corporation will review outstanding items over six months old on a quarterly basis and ensure that those items are resolved.

Collections

- 5) We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing was complete.

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

- 6) Using the cash collection listing provided by management, we selected all of the entity's cash collection locations. For each cash location selected:
- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash was (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who was not responsible for cash collections in the cash collection location selected.
 - c) We selected the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - i. Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.
 - ii. Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections were completely supported by documentation and report any exceptions.

Upon applying the procedure above, we noted three instances in which collections were not deposited within one day of receipt. The collections were deposited two, six, and three business days after collection.

Management's Response

The Corporation has implemented a policy requiring the person who prepares the deposits to notify the Administrator and the Deputy Director when the deposits are ready to be sent to the bank so that we can ensure that all deposits are made within one day of receipt per the Corporation policy. We will update our policy after Board approval at our next regular Board meeting.

- 7) We obtained existing written documentation (e.g. policy manual, written procedure) and determined whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who was not responsible for collections.

Upon applying the agreed upon procedures above, we noted that the cash receipts policy did not include procedures to determine completeness of all collections, including electronic transfers, for each revenue source and by a person who is not responsible for collections.

Management's Response

The Corporation's segregation of duties policy is a compensating control which ensures that all collections are complete. The Administrator checks each bank statement against the deposits which are made by another staff member to ensure that all deposits have been made.

Disbursements – General (excluding credit card purchases or payments)

- 8) We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We also obtained management's representation that the listing or general ledger population was complete.

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

- 9) Using the disbursement population from agreed upon procedure number 8 above, we randomly selected 25 disbursements excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

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

- 10) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the person responsible for processing payments was prohibited from adding vendors to the entity's purchasing/disbursement system.

Upon applying the agreed upon procedures above, we noted that the cash disbursements policy did not include a policy prohibiting the person from processing payments from also adding vendors to the purchasing and disbursement system.

Management's Response

The Corporation has a very small Finance/Accounting Department. We have strong segregation of duties and other compensating controls that address this finding. We do not have sufficient staff to separate this task. The person who processes payments has no check signing authority. All payments are reviewed and signed off on by two staff members other than the Administrator, who processes payments.

- 11) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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

- 12) We inquired of management and observed whether the supply of unused checks was maintained in a locked location, with access restricted to those persons that do not have signatory authority, and noted any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and determined whether the persons with signatory authority have system access to print checks.

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

- 13) When signature stamp or signature machine was used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

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

Credit Cards

- 14) We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We also obtained management's representation that the listing was complete.

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

- 15) Using the listing prepared by management, we randomly selected one-third of the credit cards (the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
- a) Determined whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Determined whether finance charges and/or late fees were assessed on the selected statements.

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

- 16) Using the monthly statements or combined statements selected under agreed upon procedure number 15 above, we obtained supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).
- a) For each transaction, we determined that the transaction was supported by:
 - i. An original itemized receipt (i.e., identifies precisely what was purchased).
 - ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization).
 - b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction was a large or recurring purchase requiring the solicitation of bids or quotes) and noted any exceptions.
 - c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

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

Travel and Expense Reimbursement

- 17) We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sorted/filtered for travel reimbursements. We also obtained management's representation that the listing and general ledger was complete.

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

- 18) We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and determined any amounts that exceed GSA rates.

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

- 19) Using the listing from agreed upon procedure number 17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity did not have written policies, we compared to the GSA rates (Number 18 above) and determined each reimbursement that exceeded those rates.
- b) We determined whether each expense was supported by:
 - i. An original itemized receipt that identified precisely what was purchased. (Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) did not require a receipt).
 - ii. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

- d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

Contracts

- 20) We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We also obtained management's representation that the listing or general ledger was complete.

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

- 21) Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:

- a) Determined whether there was a formal/written contract that supported the services arrangement and the amount paid.
- b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We determined whether each contract was subject to the Louisiana Public Bid Law or Procurement Code and:
- i. If yes, we obtained/ compared supporting contract documentation to legal requirements and determined whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
- ii. If no, we obtained supporting contract documentation and determined whether the entity solicited quotes as a best practice.
- c) Determined whether the contract was amended. If so, we determined the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and determined whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtained/reviewed contract documentation and board minutes and determined whether there was documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

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

Payroll and Personnel

- 22) We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. We randomly selected five employees/officials, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

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

- 23) We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected one-third of employees/officials and:
- a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Determined whether there was written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Determined whether there was written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Upon applying the agreed upon procedures above, we noted that two of the selected employees did not have supervisor's approval signature on their timesheet for the selected pay period.

Management's Response

The Corporation processes thousands of time sheets per year to pay its staff. Staff is required to submit timesheets by a firm deadline under our policies. From time to time, a staff member's supervisor may be out of the office when timesheets are due with staff submitting their time sheet without approval in order to be on time. We will reiterate to staff that the supervisor must sign the time sheet or that in the supervisor's absence, the Director or Deputy Director can sign the time sheet. We will also instruct our Finance/Accounting staff to return to the staff member any time sheet without a supervisor signature to get a signature.

- 24) We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list was complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

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

- 25) We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We determined whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

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

Ethics (Not Applicable for nonprofits)

- 26) Using the five randomly selected employees/officials from agreed upon procedure number 22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.
- 27) We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed documentation that demonstrated whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. We determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Debt Service (Not Applicable for nonprofits)

- 28) For debt that was issued during the fiscal period, we obtained supporting documentation from the entity, and determined whether State Bond Commission approval was obtained.
- 29) For the outstanding debt during the fiscal period, we obtained supporting documentation from the entity and determined whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
- 30) For the tax millages relating to debt service, we obtained supporting documentation and determined whether millage collections exceeded debt service payments by more than 10% during the fiscal period. Also, we determined any millages that continued to be received for debt that has been paid off.

Other

- 31) We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and determined whether the entity reported the misappropriation to the Legislative Auditor and the District Attorney of the parish in which the entity is domiciled.

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

- 32) We observed and determined whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Upon applying the agreed upon procedures above, we noted that the notice was not posted on the website.

Management's Response

The Corporation added the notice to our website on 5/18/2018. This oversight has been corrected.

- 33) When the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, the practitioner reported the nature of each exception.

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

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

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

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana