

R E P O R T

SOUTHEAST LOUISIANA
LEGAL SERVICES CORPORATION

FINANCIAL STATEMENTS AND
AUDITOR'S REPORT

DECEMBER 31, 2014

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

INDEX TO REPORT

DECEMBER 31, 2014

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements	6 - 14
SUPPLEMENTARY INFORMATION:	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer.....	15
Combining Statements of Activities	16 - 21
Notes to Supplementary Information	22
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	23 - 24
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	25 - 26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	27 - 28
Notes to Schedule of Expenditures of Federal Awards	29
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	30 - 31



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVICH, C.P.A.
TERRI L. KITTO, C.P.A.

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT

April 27, 2015

To the Board of Directors of the
Southeast Louisiana Legal Services Corporation

We have audited the accompanying financial statements of the Southeast Louisiana Legal Services Corporation (non-profit corporation), which comprise the combined statement of financial position as of December 31, 2014, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhmcpcpa.com

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, 2014 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The supplementary information on pages 16-21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2015 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 and should be considered in assessing the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	<u>2014</u>	Memorandum Only <u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 393,163	\$ 602,882
Cash in escrow - client deposits	36,138	38,747
Certificates of deposit	52,247	52,247
Accounts receivable	413,848	507,826
Prepaid expenses and deposits	<u>57,666</u>	<u>67,363</u>
Total current assets	953,062	1,269,065
PROPERTY AND EQUIPMENT - NET	<u>554,131</u>	<u>576,160</u>
 TOTAL ASSETS	 <u>\$ 1,507,193</u>	 <u>\$ 1,845,225</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 67,156	\$ 174,635
Accrued taxes and expenses	391,903	390,662
Current maturities of long-term debt	44,081	41,801
Client court costs advanced	<u>36,138</u>	<u>38,747</u>
Total current liabilities	<u>539,278</u>	<u>645,845</u>
LONG-TERM LIABILITIES:		
Long-term debt	<u>314,493</u>	<u>353,433</u>
Total long-term liabilities	<u>314,493</u>	<u>353,433</u>
 Total liabilities	 <u>853,771</u>	 <u>999,278</u>
NET ASSETS:		
Unrestricted	122,431	197,101
Temporarily restricted	333,869	466,354
Investment in fixed assets	<u>197,122</u>	<u>182,492</u>
Total net assets	<u>653,422</u>	<u>845,947</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,507,193</u>	 <u>\$ 1,845,225</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014			Memorandum Only 2013
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND SUPPORT:				
Grants and fees	\$ -	\$ 5,723,843	\$ 5,723,843	\$ 6,343,512
Interest	-	936	936	2,707
Donations	47,059	-	47,059	77,336
Other	23,125	-	23,125	72,112
Net assets released from restrictions	<u>5,857,255</u>	<u>(5,857,255)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>5,927,439</u>	<u>(132,476)</u>	<u>5,794,963</u>	<u>6,495,667</u>
EXPENSES:				
Personnel:				
Salaries - lawyers	2,935,432	-	2,935,432	3,094,344
Salaries - non-lawyers	969,115	-	969,115	1,083,394
Fringe benefits	<u>1,111,572</u>	<u>-</u>	<u>1,111,572</u>	<u>1,166,363</u>
Total personnel expenses	5,016,119	-	5,016,119	5,344,101
Contract services	219,538	-	219,538	245,476
Travel and training	78,929	-	78,929	98,109
Space costs	336,797	-	336,797	313,689
Supplies	63,834	-	63,834	77,792
Equipment	18,091	-	18,091	19,271
Depreciation	22,030	-	22,030	23,828
Litigation	17,704	-	17,704	17,672
Other	<u>214,446</u>	<u>-</u>	<u>214,446</u>	<u>299,931</u>
Total expenses	<u>5,987,488</u>	<u>-</u>	<u>5,987,488</u>	<u>6,439,869</u>
CHANGE IN NET ASSETS	(60,049)	(132,476)	(192,525)	55,798
NET ASSETS AT BEGINNING OF YEAR	<u>379,593</u>	<u>466,354</u>	<u>845,947</u>	<u>790,149</u>
NET ASSETS AT END OF YEAR	<u>\$ 319,544</u>	<u>\$ 333,878</u>	<u>\$ 653,422</u>	<u>\$ 845,947</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	Memorandum Only <u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (192,525)	\$ 55,798
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	22,030	23,828
(Increase) decrease in operating assets:		
Client deposits	2,609	(4,104)
Grants and other receivables	93,978	37,580
Prepaid expenses and deposits	9,697	64,160
Increase (decrease) in operating liabilities:		
Accounts payable	(107,480)	6,092
Accrued liabilities	1,241	(2,067)
Client court costs advanced	<u>(2,609)</u>	<u>4,104</u>
Net cash provided (used) by operating activities	<u>(173,059)</u>	<u>185,391</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	<u>-</u>	<u>-</u>
Net cash used by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payment of long-term debt	<u>(36,660)</u>	<u>(44,846)</u>
Net cash used by financing activities	<u>(36,660)</u>	<u>(44,846)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(209,719)	140,545
Cash and cash equivalents - beginning of year	<u>602,882</u>	<u>462,337</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 393,163</u>	<u>\$ 602,882</u>

See accompanying notes.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

Southeast Louisiana Legal Services Corporation is a nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in 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. Southeast Louisiana Legal Services Corporation is funded principally through grants from Legal Services Corporation, a nonprofit corporation established by Congress to administer a nationwide legal assistance program. Legal Services Corporation's funding constituted 49% of the total funding for the corporation.

New Orleans Legal Assistance Corporation was a nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons residing in Orleans, Jefferson, St. Bernard, St. Charles, and Plaquemines Parishes who are financially unable to afford legal assistance. New Orleans Legal Assistance Corporation was dissolved in April 2014, and is no longer doing business, owed no debts, and owns no immovable property. New Orleans Legal Assistance Corporation was dissolved by filing an affidavit with the Secretary of State, executed by the shareholders attesting to such facts.

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

Basis of Accounting:

The financial statements of the Southeast Louisiana Legal Services Corporation, a nonprofit organization, are prepared on the accrual basis.

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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue Recognition: (Continued)

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.

Contributions are recorded when pledges are made. Allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges is maintained at a level which the Board of Directors (the Board) considers adequate based on prior collection experience and current economic conditions. 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.

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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment: (Continued)

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. Depreciation expense for the year ended December 31, 2014 was \$22,030.

Functional Expenses:

Expenses presented in Footnote 13, Functional Expenses, are allocated between program and supporting services. The organization 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.

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.

The Corporation's federal Return of Organization Exempt From Income Tax Return Form 990 for 2014, 2013 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, 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.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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. 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:

Building	\$ 547,982
Leasehold improvement	2,943
Equipment	120,578
Less: Accumulated Depreciation	<u>(176,572)</u>
	494,931
Land	<u>59,200</u>
Balance - end of year	<u>\$ 554,131</u>

3. 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) \$17,500 (\$23,000 over 50 years of age) less 3% employer contribution. The 2014 employer contribution rate remains unchanged from the prior year. The employer contribution for the year ended December 31, 2014 totaled \$103,699.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 with the scope of FASB ASC 820-10 are included in the table below.

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Fair Value Measurement of Reporting Date	
		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposits	--	\$52,247	--

The assumptions to estimate fair value are as follows:

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

The fair value of cash and cash equivalents, receivables, accounts payable, and accrued liabilities approximate book value at December 31, 2014 due to the short-term nature of these accounts.

5. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes at December 31, 2014:

American College of Bankruptcy Foundation	\$ 10,000
Baptist Community Mission	11,011
Gillis Long Law Center	1,618
Greater New Orleans Foundation – Title Clearing	3,179
Irene W. and C.B. Pennington Foundation	15,000
Legal Services Corporation – TIG 12035	7,516
Legal Services Corporation – TIG 13032	515
Legal Services Corporation – TIG 13040	9,564
Legal Services Corporation – TIG 14005	5,993
Louisiana Bar Foundation – CPP Northshore	5,573

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

5. TEMPORARILY RESTRICTED NET ASSETS: (Continued)

Louisiana Bar Foundation – CPP Southshore	3,173
Louisiana Bar Foundation – Mortgage Servicing Settlement	40,536
Mississippi Center for Justice – Juneau	97,899
New Orleans Bar Foundation	50,000
Skadden Fellowship Foundation	20,177
Start Corporation	13,664
State of Louisiana – Road Home Grant	36,388
Tulane Law School – Lutz Fellowship	<u>2,061</u>
	<u>\$ 333,869</u>

6. ADVERTISING:

Southeast Louisiana Legal Services Corporation's policy is to expense all advertising fees as incurred. Advertising expense for the year ended December 31, 2014 was \$120.

7. 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 \$272,912 for the year ended December 31, 2014. The operating lease for the corporation's Hammond, Louisiana office expires on April 30, 2015; Covington, Louisiana office expires January 31, 2016, New Orleans, Louisiana office expires March 31, 2018; Harvey, Louisiana office expires November 30, 2019 and Houma, Louisiana office expires December 31, 2018.

Future minimum lease payments are as follows:

Year ending December 31,

2015	\$ 244,247
2016	210,248
2017	209,249
2018	92,938
2019	35,035
Thereafter	<u>-</u>
	<u>\$ 791,717</u>

8. BOARD OF DIRECTORS COMPENSATION:

The board of directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended December 31, 2014.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

9. CONTRACT SERVICES:

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.

10. CONCENTRATION OF CREDIT RISK:

At December 31, 2014, the carrying amount of the Southeast Louisiana Legal Services Corporation's cash deposits was \$393,163 and the bank balance was \$448,985 all of which were covered by the federal depository insurance or by collateral consisting of securities held by Corporation's agent in its name.

11. 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 for 2014 was 5.25%. The note payable is secured by the building and land costing \$607,182. At December 31, 2014 the balance on the loan was \$358,574.

Future mortgage payments are as follows:

Year ending December 31,

2015	\$ 44,081
2016	46,440
2017	49,019
2018	51,693
2019	54,513
There after	<u>112,828</u>
	<u>\$ 358,574</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

12. SUBGRANT AGREEMENTS:

The corporation entered into several subgrant agreements with The Pro Bono Project and the Baton Rouge Bar Foundation. The agreement with The Pro Bono Project is to provide attorney representation - pro bono for the period February 1, 2014 through December 31, 2014. The subgrant agreement, approved by Legal Services Corporation, totaled \$63,000. The subgrant agreement with the Baton Rouge Bar Foundation is to provide attorney representation - pro bono for the period February 1, 2014 through December 31, 2014. The subgrant agreement approved by Legal Services Corporation totaled \$52,000. The expenditures for all subgrant agreements were used to satisfy part of the private attorney involvement condition of the Legal Services Corporation basic field grant.

13. FUNCTIONAL EXPENSES:

Functional expenses for the year ended December 31, 2014 consist of the following:

	<u>Total</u>	<u>Legal Services for the Poor</u>	<u>Management and General</u>	<u>Fundraising</u>
Personnel				
Salaries - lawyers	\$ 2,935,432	\$ 2,706,547	\$ 212,644	\$ 16,241
Salaries - non-lawyers	969,115	896,474	71,969	672
Fringe benefits	<u>1,111,572</u>	<u>1,020,735</u>	<u>85,884</u>	<u>4,953</u>
Total personnel benefits	5,016,119	4,623,756	370,497	21,866
Contract services	219,538	218,352	1,122	64
Travel and training	78,929	72,338	6,235	356
Space costs	336,797	308,673	26,606	1,518
Supplies	63,834	58,503	5,043	288
Equipment	18,091	16,581	1,429	81
Depreciation	22,030	20,190	1,740	100
Litigation	17,704	17,704	-	-
Other	<u>214,446</u>	<u>205,454</u>	<u>8,507</u>	<u>485</u>
Total expenses	<u>\$ 5,987,488</u>	<u>\$ 5,541,551</u>	<u>\$ 421,179</u>	<u>\$ 24,758</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

14. 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 organization'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 organization's funds.

15. NET ASSETS DEFICIT FUND BALANCE:

The Louisiana Bar Foundation IOLTA, The Louisiana Bar Foundation Child in Need of Care and BRCC Single Stop USA have deficit unrestricted net asset balances in the amount of \$6,388, \$49,630 and \$394 respectively. The corporation intends to cover these deficit balances with future operating revenues.

16. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events from the balance sheet date through April 27, 2015, the date the financial statements were available to be issued, and has determined there were no items to disclose.

SUPPLEMENTARY INFORMATION

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
DECEMBER 31, 2014

Agency head Name: Laura Tuggle, Executive Director

Purpose	Amount
Salary	\$90,461.64
Benefits-insurance	9,233.60
Benefits-retirement	2,713.85
Benefits – compensated absences	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	2,659.85
Travel	3,025.19
Registration fees (Bar dues)	510.00
Conference travel	3,291.40
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Legal Services Corporation - LA 13</u>		
	Basic	Private	
	<u>Field Grant</u>	<u>Attorney</u>	<u>Total</u>
		<u>Involvement</u>	
UNRESTRICTED NET ASSETS:			
REVENUE AND SUPPORT:			
Grants and fees	\$ 2,786,371	\$ -	\$ 2,786,371
Interest	936	-	936
Other	2,325	-	2,325
Total revenue and support	<u>2,789,632</u>	<u>-</u>	<u>2,789,632</u>
EXPENSES:			
Personnel:			
Salaries - lawyers	1,221,520	42,887	1,264,407
Salaries - non-lawyers	555,259	73,570	628,829
Fringe benefits	502,933	72,763	575,696
Total personnel expenses	<u>2,279,712</u>	<u>189,220</u>	<u>2,468,932</u>
Contract services	3,031	82,579	85,610
Travel and training	30,044	6,656	36,700
Space costs	164,876	25,327	190,203
Supplies	18,603	5,251	23,854
Litigation	1,527	1,493	3,020
Other	54,100	15,256	69,356
Total expenses	<u>2,551,893</u>	<u>325,782</u>	<u>2,877,675</u>
CHANGE IN NET ASSETS	237,739	(325,782)	(88,043)
NET ASSETS AT BEGINNING OF YEAR	<u>868,659</u>	<u>(780,616)</u>	<u>88,043</u>
INVESTMENT IN FIXED ASSETS	-	-	-
UNRESTRICTED NET ASSETS	-	-	-
TEMPORARILY RESTRICTED NET ASSETS	<u>1,106,398</u>	<u>(1,106,398)</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,106,398</u>	<u>\$ (1,106,398)</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Legal Services Corporation Technical Initiative <u>Grant #13032</u>	Legal Services Corporation Technical Initiative <u>Grant #12035</u>	Legal Services Corporation Technical Initiative <u>Grant #10030</u>	Legal Services Corporation Technical Initiative <u>Grant # 13040</u>	Legal Services Corporation Technical Initiative <u>Grant # 14005</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 6,000	\$ 8,000	\$ 1,428	\$ -	\$ 6,000
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>6,000</u>	<u>8,000</u>	<u>1,428</u>	<u>-</u>	<u>6,000</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	8,984	3,618	1,185	5,539	6
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	<u>2,466</u>	<u>994</u>	<u>243</u>	<u>1,521</u>	<u>1</u>
Total personnel expenses	11,450	4,612	1,428	7,060	7
Contract services	-	-	-	-	-
Travel and training	-	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	<u>11,450</u>	<u>4,612</u>	<u>1,428</u>	<u>7,060</u>	<u>7</u>
CHANGE IN NET ASSETS	(5,450)	3,388	-	(7,060)	5,993
NET ASSETS AT BEGINNING OF YEAR	5,965	4,128	-	16,624	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
UNRESTRICTED NET ASSETS	-	-	-	-	-
TEMPORARILY RESTRICTED NET ASSETS	<u>515</u>	<u>7,516</u>	<u>-</u>	<u>9,564</u>	<u>5,993</u>
NET ASSETS AT END OF YEAR	<u>\$ 515</u>	<u>\$ 7,516</u>	<u>\$ -</u>	<u>\$ 9,564</u>	<u>\$ 5,993</u>

<u>Gillis Long Law Center</u>	<u>Lafourche Council on Aging</u>	<u>Mississippi Center For Justice Juneau</u>	<u>Louisiana Bar Foundation IOLTA</u>	<u>New Orleans Office of Community Development ESG</u>	<u>Louisiana Bar Foundation Capital Funds</u>	<u>New Orleans Bar Foundation Fellow</u>	<u>Terrebonne Council on Aging</u>
\$ 52,971	\$ 4,845	\$ 115,182	\$ 534,899	\$ 35,000	\$ 25,000	\$ 50,000	\$ 10,266
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>52,971</u>	<u>4,845</u>	<u>115,182</u>	<u>534,899</u>	<u>35,000</u>	<u>25,000</u>	<u>50,000</u>	<u>10,266</u>
-	2,609	11,676	411,142	35,000	-	-	5,989
51,353	-	-	2,750	-	-	-	-
-	731	3,269	107,861	-	-	-	1,677
<u>51,353</u>	<u>3,340</u>	<u>14,945</u>	<u>521,753</u>	<u>35,000</u>	-	-	<u>7,666</u>
-	-	133	2,800	-	-	-	-
-	186	237	500	-	-	-	171
-	745	1,074	10,600	-	-	-	1,574
-	373	237	2,000	-	-	-	684
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	35	-	-	-	-	-
-	201	620	9,169	-	22,246	-	171
<u>51,353</u>	<u>4,845</u>	<u>17,281</u>	<u>546,822</u>	<u>35,000</u>	<u>22,246</u>	-	<u>10,266</u>
1,618	-	97,901	(11,923)	-	2,754	50,000	-
-	-	225,225	5,535	-	-	-	-
-	-	(225,225)	-	-	-	-	-
-	-	-	-	-	(2,754)	-	-
-	-	-	(6,388)	-	-	-	-
<u>1,618</u>	-	<u>97,901</u>	-	-	-	<u>50,000</u>	-
<u>\$ 1,618</u>	<u>\$ -</u>	<u>\$ 97,901</u>	<u>\$ (6,388)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Capital Area Agency <u>on Aging</u>	Livingston Parish Council <u>on Aging</u>	Skadden Fellowship <u>Foundation</u>	St. James Council on <u>Aging</u>	St. Charles Council on <u>Aging</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 29,042	\$ 6,481	\$ 37,388	\$ 2,624	\$ 1,636
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total revenue and support	<u>29,042</u>	<u>6,481</u>	<u>37,388</u>	<u>2,624</u>	<u>1,636</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	16,447	3,513	10,262	1,397	886
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	4,967	983	6,949	615	249
Total personnel expenses	<u>21,414</u>	<u>4,496</u>	<u>17,211</u>	<u>2,012</u>	<u>1,135</u>
Contract services	-	-	-	-	-
Travel and training	914	229	-	44	58
Space costs	4,569	1,004	-	368	253
Supplies	1,231	501	-	160	127
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	-	-	-	-
Other	914	251	-	40	63
Total expenses	<u>29,042</u>	<u>6,481</u>	<u>17,211</u>	<u>2,624</u>	<u>1,636</u>
CHANGE IN NET ASSETS	-	-	20,177	-	-
NET ASSETS AT BEGINNING OF YEAR	-	-	-	-	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
UNRESTRICTED NET ASSETS	-	-	-	-	-
TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>-</u>	<u>20,177</u>	<u>-</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,177</u>	<u>\$ -</u>	<u>\$ -</u>

St. John Council on <u>Aging</u>	State of Louisiana Road Home <u>Grant</u>	East Baton Rouge Council on <u>Aging</u>	Greater New Orleans <u>Foundation</u>	Greater New Orleans Foundation <u>Title Clearing</u>	Unity of Greater New Orleans Inc. Supportive <u>Housing</u>	Louisiana Bar Foundation Child <u>Legal Service</u>	Louisiana Bar Foundation Community Partnership Panel Grant <u>Southshore</u>
\$ 1,662	\$ -	\$ 16,299	\$ -	\$ -	\$ 117,839	\$ 5,000	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,662</u>	<u>-</u>	<u>16,299</u>	<u>-</u>	<u>-</u>	<u>117,839</u>	<u>5,000</u>	<u>-</u>
920	-	8,495	16,761	-	87,785	2,715	1,182
-	-	-	-	-	6,476	-	-
<u>258</u>	<u>-</u>	<u>3,284</u>	<u>4,351</u>	<u>-</u>	<u>23,578</u>	<u>718</u>	<u>350</u>
1,178	-	11,779	21,112	-	117,839	3,433	1,532
-	-	-	-	-	-	-	-
53	-	521	-	-	-	-	-
263	-	2,285	-	-	-	-	-
115	-	1,143	746	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
53	-	571	-	-	-	5,610	-
<u>1,662</u>	<u>-</u>	<u>16,299</u>	<u>21,858</u>	<u>-</u>	<u>117,839</u>	<u>9,043</u>	<u>1,532</u>
-	-	-	(21,858)	-	-	(4,043)	(1,532)
-	36,388	-	21,858	3,179	-	4,043	4,705
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	36,388	-	-	3,179	-	-	3,173
<u>\$ -</u>	<u>\$ 36,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,173</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Internal Revenue <u>Service Grant</u>	Other <u>Non-Federal</u>	Unity of Greater New Orleans Inc. SAMHSA <u>Grant</u>	Equal Justice Works <u>Fellow</u>	Unity of Greater New Orleans, Inc. Loyola Law <u>Clinic</u>
UNRESTRICTED NET ASSETS:					
REVENUE AND SUPPORT:					
Grants and fees	\$ 85,026	\$ 2,000	\$ 58,615	\$ 20,400	\$ 23,823
Interest	-	-	-	-	-
Other	-	20,800	-	-	-
Total revenue and support	<u>85,026</u>	<u>22,800</u>	<u>58,615</u>	<u>20,400</u>	<u>23,823</u>
EXPENSES:					
Personnel:					
Salaries - lawyers	85,026	20,803	41,638	27,293	18,717
Salaries - non-lawyers	-	-	-	-	-
Fringe benefits	-	-	11,353	-	5,106
Total personnel expenses	<u>85,026</u>	<u>20,803</u>	<u>52,991</u>	<u>27,293</u>	<u>23,823</u>
Contract services	-	-	-	-	-
Travel and training	-	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	4,090	-	-
Equipment	-	-	-	-	-
Depreciation	-	-	-	-	-
Litigation	-	4,325	1,534	-	-
Other	-	-	-	-	-
Total expenses	<u>85,026</u>	<u>25,128</u>	<u>58,615</u>	<u>27,293</u>	<u>23,823</u>
CHANGE IN NET ASSETS	-	(2,328)	-	(6,893)	-
NET ASSETS AT BEGINNING OF YEAR	-	2,328	-	6,893	-
TRANSFERS BETWEEN FUNDS	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-
UNRESTRICTED NET ASSETS	-	-	-	-	-
TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Louisiana Bar Foundation Child in Need <u>of Care</u>	Louisiana Bar Foundation Mortgage Service <u>Settlement</u>	Equal Justice Works <u>Law Clerks</u>	American College of Bankruptcy <u>Foundation</u>	U.S. Department of Justice Assistance for Victims - <u>Orleans</u>	United Way <u>Tangipahoa</u>	United Way New Orleans <u>Housing</u>
\$ 613,500	\$ 454,520	\$ 4,000	\$ 10,000	\$ 97,451	\$ 11,102	\$ 35,522
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>613,500</u>	<u>454,520</u>	<u>4,000</u>	<u>10,000</u>	<u>97,451</u>	<u>11,102</u>	<u>35,522</u>
418,493	254,000	-	-	54,210	8,718	27,893
30,135	45,461	4,000	-	1,200	-	-
89,185	88,800	-	-	16,761	2,384	7,629
<u>537,813</u>	<u>388,261</u>	<u>4,000</u>	<u>-</u>	<u>72,171</u>	<u>11,102</u>	<u>35,522</u>
34,400	1,133	-	-	20,681	-	-
21,839	5,417	-	-	1,242	-	-
26,118	29,403	-	-	-	-	-
8,800	6,362	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	813	-	-	-	-	-
11,100	9,462	-	-	1,126	-	-
<u>640,070</u>	<u>440,851</u>	<u>4,000</u>	<u>-</u>	<u>95,220</u>	<u>11,102</u>	<u>35,522</u>
(26,570)	13,669	-	10,000	2,231	-	-
(23,060)	26,867	-	-	(2,231)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(49,630)	-	-	-	-	-	-
-	40,536	-	10,000	-	-	-
<u>(49,630)</u>	<u>40,536</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	United Way Washington Parish	United Way Donations	United Way Mini Grant Community Outreach	Baptist Community Mission	Irene W. and C.B. Pennington Foundation	Louisiana Bar Foundation Community Partnership Panel Grant Northshore
UNRESTRICTED NET ASSETS:						
REVENUE AND SUPPORT:						
Grants and fees	\$ 5,000	\$ -	\$ 1,250	\$ 58,475	\$ 15,000	\$ -
Interest	-	-	-	-	-	-
Other	-	29,248	-	-	-	-
Total revenue and support	<u>5,000</u>	<u>29,248</u>	<u>1,250</u>	<u>58,475</u>	<u>15,000</u>	<u>-</u>
EXPENSES:						
Personnel:						
Salaries - lawyers	3,926	-	-	46,020	-	391
Salaries - non-lawyers	-	-	-	-	-	-
Fringe benefits	1,074	4,332	-	12,334	-	37
Total personnel expenses	<u>5,000</u>	<u>4,332</u>	<u>-</u>	<u>58,354</u>	<u>-</u>	<u>428</u>
Contract services	-	10,714	-	-	-	-
Travel and training	-	3,434	-	-	-	-
Space costs	-	-	-	-	-	-
Supplies	-	-	109	-	-	-
Equipment	-	-	1,141	-	-	-
Depreciation	-	-	-	-	-	-
Litigation	-	997	-	-	-	-
Other	-	9,771	-	-	-	-
Total expenses	<u>5,000</u>	<u>29,248</u>	<u>1,250</u>	<u>58,354</u>	<u>-</u>	<u>428</u>
CHANGE IN NET ASSETS	-	-	-	121	15,000	(428)
NET ASSETS AT BEGINNING OF YEAR	-	-	-	10,890	-	6,001
TRANSFERS BETWEEN FUNDS	-	-	-	-	-	-
INVESTMENT IN FIXED ASSETS	-	-	-	-	-	-
UNRESTRICTED NET ASSETS	-	-	-	-	-	-
TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,011</u>	<u>15,000</u>	<u>5,573</u>
NET ASSETS AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,011</u>	<u>\$ 15,000</u>	<u>\$ 5,573</u>

Single Stop <u>USA</u>	BRCC Single Stop <u>USA</u>	Tulane Law School Lutz Fellow	Start <u>Corporation</u>	<u>General</u>	Investment in Fixed Assets <u>Other</u>	Investment in Fixed Assets <u>Building</u>	<u>Total</u>
\$ 25,000	\$ 2,083	\$ 4,375	\$ 18,750	\$ 324,018	\$ -	\$ -	\$ 5,723,843
-	-	-	-	-	-	-	936
-	-	-	-	17,811	-	-	70,184
<u>25,000</u>	<u>2,083</u>	<u>4,375</u>	<u>18,750</u>	<u>341,829</u>	<u>-</u>	<u>-</u>	<u>5,794,963</u>
25,000	1,935	2,314	3,974	(5,437)	-	-	2,935,432
-	-	-	-	198,911	-	-	969,115
-	542	-	1,112	130,162	-	-	1,111,572
<u>25,000</u>	<u>2,477</u>	<u>2,314</u>	<u>5,086</u>	<u>323,636</u>	<u>-</u>	<u>-</u>	<u>5,016,119</u>
-	-	-	-	64,067	-	-	219,538
-	-	-	-	7,384	-	-	78,929
-	-	-	-	68,338	-	-	336,797
-	-	-	-	13,302	-	-	63,834
-	-	-	-	16,950	-	-	18,091
-	-	-	-	-	3,764	18,266	22,030
-	-	-	-	6,980	-	-	17,704
-	-	-	-	73,722	-	-	214,446
<u>25,000</u>	<u>2,477</u>	<u>2,314</u>	<u>5,086</u>	<u>574,379</u>	<u>3,764</u>	<u>18,266</u>	<u>5,987,488</u>
-	(394)	2,061	13,664	(232,550)	(3,764)	(18,266)	(192,525)
-	-	-	-	220,074	27,760	154,732	845,947
-	-	-	-	225,225	-	-	-
-	-	-	-	(33,906)	-	36,660	-
-	(394)	-	-	178,843	-	-	122,431
<u>-</u>	<u>-</u>	<u>2,061</u>	<u>13,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,869</u>
<u>\$ -</u>	<u>\$ (394)</u>	<u>\$ 2,061</u>	<u>\$ 13,664</u>	<u>\$ 178,843</u>	<u>\$ 23,996</u>	<u>\$ 173,126</u>	<u>\$ 653,422</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
NOTES TO SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

NOTE 1. PRIVATE ATTORNEY INVOLVEMENT COSTS

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

General	\$ 2,864
Louisiana Bar Foundation	260,157
Other Grants	<u>54,344</u>
	<u>\$ 317,365</u>

NOTE 2. NET ASSETS – UNRESTRICTED

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



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVIH, C.P.A.
TERRI L. KITTO, C.P.A.

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

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

April 27, 2015

Board of Directors
Southeast Louisiana Legal Services Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Southeast Louisiana Legal Services Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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 27, 2015.

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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southeast Louisiana Legal Services Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Southeast Louisiana Legal Services Corporation's internal control.

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

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhhmcpa.com

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

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

Duplantier, Hrapmann, Hogan & Maher, LLP



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVIH, C.P.A.
TERRI L. KITTO, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

April 27, 2015

Board of Directors
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 U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* 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, 2014. 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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southeast Louisiana Legal Services Corporation's major 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 OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 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, 2014.

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 our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as 2014-01 to be a significant deficiency.

The purpose of this report on internal control 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 OMB Circular A-133. Accordingly, this report is not suitable for any other use.

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>PROGRAM DEPARTMENT / TITLE</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Funds passed through Unity of Greater New Orleans, Inc.:				
Supportive Housing Program		14.235	\$ 141,662	\$ -
Funds passed through City of New Orleans:				
Emergency Shelter Grant		14.231	<u>35,000</u>	<u>-</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>176,662</u>	<u>-</u>
<u>LEGAL SERVICES CORPORATION</u>				
Basic Field		9.61908	2,877,675	115,000
Technical Initiative Grant		9.61908	<u>24,557</u>	<u>-</u>
TOTAL LEGAL SERVICES CORPORATION			<u>2,902,232</u>	<u>115,000</u>
<u>INTERNAL REVENUE SERVICE</u>				
LITC Program		21.008	<u>85,026</u>	<u>-</u>
TOTAL INTERNAL REVENUE SERVICE			<u>85,026</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Funds passed through Livingston Council on Aging, Inc.:				
Title III B Supportive Services		93.633	6,481	-
Funds passed through Capital Area Agency on Aging, Inc.:				
Title III B Supportive Services		93.633	29,042	-
Funds passed through Lafourche Council on Aging, Inc.:				
Title III B Supportive Services		93.633	4,845	-
Funds passed through Terrebonne Council on Aging, Inc.:				
Title III B Supportive Services		93.633	10,266	-
Funds passed through East Baton Rouge Council on Aging, Inc.:				
Title III B Supportive Services		93.633	16,299	-
Funds passed through Unity of Greater New Orleans, Inc.:				
Substance abuse and mental health services administration		93.243	58,615	-
Fund passed through St. John Council on Aging				
Title III B Supportive Services		93.633	1,662	-

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Costs</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>				
Funds passed through St. James Council on Aging Title III B Supportive Services		93.633	\$ 2,624	\$ -
Funds passed through St. Charles Council on Aging Title III B Supportive Services		93.633	<u>1,636</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>131,470</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Legal Assistance for Victims		16.524	<u>95,220</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>95,220</u>	<u>-</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</u>				
Funds passed through Equal Justice Works:				
Fellow		94.006	27,293	-
Law Clerk		94.006	<u>4,000</u>	<u>-</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			<u>31,293</u>	<u>-</u>
 TOTAL FEDERAL EXPENDITURES			 <u>\$ 3,421,903</u>	 <u>\$ 115,000</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. 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 New Orleans Legal Assistance Corporation and is presented on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Southeast Louisiana Legal Services Corporation and New Orleans Legal Assistance Corporation have met the cost of reimbursement or funding qualifications for the respective grants.

2. 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, 2014.

3. NON-FEDERAL CONTRIBUTIONS:

The matching contribution for the year ended December 31, 2014 consists of the following:

Unity of Greater New Orleans, Inc.	\$ 23,823
Emergency Shelter Grant	35,000
Internal Revenue Service	<u>85,026</u>
	<u>\$143,849</u>

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

A. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- * Material weakness(es) identified? ___ yes X no
- * Control deficiencies identified that are not considered to be material weaknesses? ___ yes X no
- * Noncompliance material to financial statements noted? ___ yes X no

Federal Awards:

Internal control over major programs:

- * Material weaknesses? ___ yes X no
- * Control deficiencies identified that are not considered to be material weaknesses? ___ yes X no

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133: ___ yes X no

Identification of major program:

<u>Name of Program</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Legal Services Corporation	09.619081	\$ <u>2,902,232</u>

The dollar threshold used to distinguish between Type A and Type B program was:\$ 300,000

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

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

NONE

SOUTHEAST LOUISIANA LEGAL SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

2014-01 CITIZENSHIP ATTESTATION

Finding:

During our testing performed on CFDA # 09.61908, Legal Services Corporation, we noted one instance in which Southeast Louisiana Legal Services Corporation did not meet the compliance requirements of 45 CFR § 1626 Restrictions on Legal Assistance to Aliens. In conjunction with our review of sampled case files, we noted one instance in which Southeast Louisiana Legal Services Corporation did not maintain explicit documentation of a client's citizenship attestation. We do note that the citizenship box was affirmatively checked in the case management system. Southeast Louisiana Legal Services Corporation's policy is to have its staff make notations in its case management system about the client verbally attesting to citizenship for telephone intakes. In the instance noted above, there was no such attestation. We recommend that management of Southeast Louisiana Legal Services Corporation ensure that the policies and procedures related to client citizenship attestation are communication to staff and monitor that these procedures are being followed by staff.

Management's Corrective Action Plan:

Management at Southeast Louisiana Legal Services Corporation intends to continue to communicate the importance of citizenship attestation policies and procedures through staff training and through management communication.

D. PRIOR YEAR FINDINGS:

NONE