

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**

(A Non-profit Organization)

**MIAMI, FLORIDA**

Consolidated Financial Statements as of and For the Years Ended

December 31, 2019 and 2018

**CONSOLIDATED FINANCIAL STATEMENTS,  
INDEPENDENT AUDITOR'S REPORT THEREON,  
AND INDEPENDENT AUDITOR'S REPORTS ON COMPLIANCE,  
AND INTERNAL CONTROL BASED ON AN AUDIT PERFORMED  
IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE  
LSC GRANT RECIPIENT NO. 610040  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**BCA WATSON RICE LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
And  
Advisors**

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## *Independent Auditor's Report*

Board of Directors  
Legal Services of Greater Miami, Inc.

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the Legal Services of Greater Miami, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 and the Legal Services Corporation Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Legal Services of Greater Miami, Inc. and its subsidiaries as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America and the Legal Services Corporation Audit Guide.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, such as the supplemental Schedule of Support, Revenue, Expenses, and Changes in Net Assets for Private Attorney Program on page 38, and Supplemental Schedule of Support, Revenue, Expenses and Changes in Net Assets on page 39, as required by Legal Services Corporation and the Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 supplementary schedules on pages 33 through 39 and the Schedule of Expenditures of Federal Awards on page 40 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 December 31, 2019 on our consideration of the Legal Services of Greater Miami Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Legal Services of Greater Miami, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Legal Services of Greater Miami, Inc.'s internal control over financial reporting and compliance.

Miami, Florida  
April 20, 2020

*BCA Watson Rice LLP*

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-Profit Organization)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As of December 31, 2019 and 2018**

<b>ASSETS</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,492,061	\$ 2,043,751
Cash - client trust funds	93,725	241,598
Cash - donor restricted	653,805	877,424
Investments	258,351	250,000
Accounts receivable - grants, contributors and others	309,172	336,482
Prepaid expenses	277,134	129,749
Promises to give - current portion, net	154,070	123,976
Total Current Assets	4,238,318	4,002,980
<b>NONCURRENT ASSETS</b>		
Property and Equipment, net	8,886,427	9,110,182
Deposits	10,977	10,977
Promises to give - noncurrent portion, net	128,738	116,494
Investments long-term other [Notes 3 & 12C]	20,075,325	17,476,266
Total Noncurrent Assets	29,101,467	26,713,917
<b>TOTAL ASSETS</b>	<b>\$ 33,339,785</b>	<b>\$ 30,716,898</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 161,131	\$ 59,066
Accrued expenses	921,092	968,920
Client trust deposits	93,725	241,598
Deferred income	273,878	321,213
Line of credit	610,478	610,478
Mortgage	300,666	292,519
Total Current Liabilities	2,360,970	2,493,794
<b>LONG-TERM LIABILITIES</b>		
Mortgage	4,122,221	4,422,887
Deferred compensation plan [Note 12C]	490,248	490,248
Total Liabilities	6,973,439	7,406,929
<b>NET ASSETS</b>		
<b>Without Donor Restrictions</b>		
Operations	2,735,270	2,622,394
Capital Campaign - other	2,759,842	2,377,892
Endowment and other Foundation net assets	20,346,274	17,704,873
FBF (IOTA) - property	45,034	55,792
Total Net Assets without Donor Restrictions	25,886,420	22,760,951
<b>With Donor Restrictions</b>		
Legal Services Corporation - grant	241,467	242,092
Legal Services Corporation - property	-	27,761
Legal Services Corporation - disaster	33,547	-
Legal Services Corporation - technology grants	15,635	56,160
Donations for Operations	89,278	123,005
Endowment Fund	100,000	100,000
Total Net Assets with Donor Restrictions	479,927	549,018
Total Net Assets [Note 1H]	26,366,347	23,309,969
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 33,339,785</b>	<b>\$ 30,716,898</b>

The accompanying notes are an integral part of consolidated financial statements.

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-Profit Organization)**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>TOTAL</b>
<b>Operating Activities</b>			
<b>Revenues and Other Support</b>			
Grants and Contracts	\$ -	\$ 7,118,437	\$ 7,118,437
Contributions	573,356	50,000	623,356
Rental Income	357,038	-	357,038
Interest Income	21,904	-	21,904
Miscellaneous Income	313,972	-	313,972
Net assets released from restrictions	7,236,903	(7,236,903)	-
Total Revenues and Other Support	<u>8,503,173</u>	<u>(68,466)</u>	<u>8,434,707</u>
<b>Functional Expenses:</b>			
General law	5,315,828	-	5,315,828
Senior citizens	2,356,430	-	2,356,430
Management and general	399,486	-	399,486
Fundraising	336,922	-	336,922
Total Functional Expenses	<u>8,408,666</u>	<u>-</u>	<u>8,408,666</u>
Change in Net Assets from Operations	<u>94,507</u>	<u>(68,466)</u>	<u>26,041</u>
<b>Nonoperating Activities</b>			
Investment return, net	3,030,337	-	3,030,337
Total Nonoperating Activities	<u>3,030,337</u>	<u>-</u>	<u>3,030,337</u>
Changes in Net Assets	3,124,844	(68,466)	3,056,378
Net Assets , beginning of year	22,760,951	549,018	23,309,969
Net Assets, end of year	<u>\$ 25,885,795</u>	<u>\$ 480,552</u>	<u>\$ 26,366,347</u>

The accompanying notes are an integral part of consolidated financial statements.

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-Profit Organization)**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>TOTAL</b>
<b>Operating Activities</b>			
<b>Revenues and Other Support:</b>			
Grants and contracts	\$ -	\$ 6,281,460	\$ 6,281,460
Contributions	651,728	-	651,728
Rental income	312,859	-	312,859
Donated goods & services	24,229	56,455	80,684
Interest income	18,010	752	18,762
Miscellaneous income	47,394	53,793	101,188
Net assets released from restrictions	6,461,551	(6,461,551)	-
Total Revenues and Other Support	<u>7,515,771</u>	<u>(69,091)</u>	<u>7,446,681</u>
<b>Functional Expenses:</b>			
General law	4,840,959	-	4,840,959
Senior citizens	1,829,999	-	1,829,999
Management and general	582,191	-	582,191
Fundraising	258,177	-	258,177
Total Functional Expenses	<u>7,511,326</u>	<u>-</u>	<u>7,511,326</u>
Change in Net Assets from Operations	<u>4,445</u>	<u>(69,091)</u>	<u>(64,645)</u>
<b>Nonoperating Activities</b>			
Investment return, net	<u>(1,364,227)</u>	<u>-</u>	<u>(1,364,227)</u>
Total Nonoperating Activities	<u>(1,364,227)</u>	<u>-</u>	<u>(1,364,227)</u>
Changes in Net Assets	(1,359,782)	(69,091)	(1,428,872)
Net Assets , beginning of year	22,760,951	549,018	23,309,969
Net Assets, end of year	<u>\$ 21,401,169</u>	<u>\$ 479,927</u>	<u>\$ 21,881,097</u>

The accompanying notes are an integral part of consolidated financial statements.

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-Profit Organization)**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2019**

	2019					
	Program Services		Total	Supporting Services		
	General Law	Senior Citizens	Program Services	Management & General	Fund- Raising	Total
<b>Personnel Expenses</b>						
Lawyers	\$ 1,615,053	\$ 709,644	\$ 2,324,697	\$ 122,352	\$ -	\$ 2,447,050
Paralegals	\$ 246,027	105,050	351,077	11,163	-	362,240
Support staff	307,048	134,915	441,963	23,261	-	465,224
Other	686,416	348,359	1,034,775	60,062	106,400	1,201,237
Employee benefits	657,392	285,379	942,771	50,961	25,480	1,019,212
Total Personnel Expenses	3,511,936	1,583,347	5,095,283	267,799	131,880	5,494,962
<b>Other Expenses</b>						
Computer services / online fees	329,726	144,879	474,605	24,979	-	499,584
Contract services	243,374	106,937	350,311	18,437	-	368,748
Equipment repairs and maintenance	22,569	9,916	32,485	1,710	-	34,195
Insurance	62,764	27,578	90,342	4,755	-	95,096
Law library	21,837	9,359	31,196	-	-	31,196
Litigation costs	22,153	9,494	31,647	-	-	31,647
Office supplies	32,139	14,122	46,261	2,435	-	48,696
Other direct costs	488,174	206,431	694,605	35,901	188,481	918,987
Photocopying	6,849	3,009	9,858	519	-	10,376
Postage	10,083	4,377	14,460	782	391	15,632
Provision for uncollectible pledges	-	-	-	-	16,170	16,170
Space and occupancy	240,968	100,703	341,671	17,983	-	359,654
Telephone	33,917	14,903	48,820	2,569	-	51,389
Travel	21,337	9,375	30,712	1,616	-	32,328
Total Other Expenses	1,535,890	661,083	2,196,973	111,686	205,042	2,513,701
 Total Expenses Before Depreciation and Interest	 5,047,826	 2,244,430	 7,292,256	 379,485	 336,922	 8,008,663
Depreciation	182,400	76,227	258,627	13,612	-	272,239
Interest	85,601	35,773	121,374	6,388	-	127,762
Total Functional Expenses	\$ 5,315,828	\$ 2,356,430	\$ 7,672,257	\$ 399,486	\$336,922	\$ 8,408,664

The accompanying notes are an integral part of consolidated financial statements.



**LEGAL SERVICES OF GREATER MIAMI, INC.**  
**(A Non-Profit Organization)**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2019**

-----2018-----

	Program Services			Supporting Services		Total
	General Law	Senior Citizens	Total Program Services	Management & General	Fund- Raising	
<b>Personnel Expenses</b>						
Lawyers	\$ 1,607,702	\$ 656,667	\$ 2,264,369	\$ 119,177	\$ -	\$ 2,383,546
Paralegals	261,781	106,924	368,705	19,406	-	388,111
Support staff	332,394	135,767	468,161	24,640	-	492,801
Other	713,301	291,348	1,004,649	60,719	149,012	1,214,380
Employee benefits	675,398	275,867	951,265	51,635	29,802	1,032,702
Total Personnel Expenses	3,590,576	1,466,573	5,057,149	275,577	178,814	5,511,540
<b>Other Expenses</b>						
Computer services / online fees	44,690	18,254	62,944	3,405	1,750	68,099
Contract services	216,324	88,358	304,682	17,451	26,882	349,015
Equipment repairs and maintenance	16,201	6,617	22,818	1,201	-	24,019
Insurance	59,603	24,345	83,948	4,447	540	88,935
Law library	18,434	7,529	25,963	-	-	25,963
Litigation costs	35,375	14,449	49,824	-	-	49,824
Office supplies	20,982	8,570	29,552	1,665	2,090	33,307
Other direct costs	114,483	46,761	161,244	12,222	70,976	244,442
Photocopying	4,209	1,719	5,928	312	-	6,240
Postage	9,767	3,989	13,756	736	225	14,717
Provision for uncollectible pledges	710	290	1,000	-	(23,298)	(22,298)
Space and occupancy	147,746	60,347	208,093	87,937	-	296,030
Telephone	30,069	12,282	42,351	2,229	-	44,580
Pass through amount to subrecipient	360,612	-	360,612	-	-	360,612
Travel	19,720	8,054	27,774	1,472	198	29,444
Total Other Expenses	1,098,925	301,564	1,400,489	133,077	79,363	1,612,929
<b>Total Expenses Before Depreciation and Interest</b>	4,689,501	1,768,137	6,457,638	408,654	258,177	7,124,469
Depreciation	94,500	38,598	133,098	102,965	-	236,063
Interest	56,958	23,264	80,222	70,572	-	150,794
<b>Total Functional Expenses</b>	\$ 4,840,959	\$ 1,829,999	\$ 6,670,958	\$ 582,191	\$ 258,177	\$ 7,511,326

The accompanying notes are an integral part of consolidated financial statements.

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-Profit Organization)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Decrease) increase in net assets	\$ 3,056,378	\$ (1,462,738)
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	272,239	236,063
Provision for uncollectible pledges	16,170	(22,298)
Realized and unrealized gains (losses) on investments	(2,682,159)	1,521,383
Interest and dividends received from investments	(348,178)	(178,928)
Decrease/(increase) in accounts receivable	(15,028)	161,823
(Increase)/decrease in prepaid expenses	(147,385)	(30,680)
(Increase)/decrease in deposits	-	(175)
Increase/(decrease) in accounts payable	102,066	(57,935)
Increase/(decrease) in accrued expenses	(47,828)	187,051
Increase/(decrease) in clients trust deposits	(147,873)	62,878
Increase/(decrease) in deferred income	(47,336)	187,687
Net cash provided by operating activities	11,067	604,131
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distributions received from investments	461,018	765,851
Purchase of investments	(35,851)	(250,000)
Building improvements/fixed assets	(48,484)	(356,968)
Other Assets	(18,413)	-
Net cash provided by investing activities	358,270	138,493
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Line of credit	-	273,956
Mortgage	(292,519)	(284,594)
Net cash (used in) provided by financing activities	(292,519)	(10,638)
<b>Net increase (decrease) in cash and cash equivalents</b>	76,818	731,986
<b>Cash and cash equivalents at beginning of year</b>	3,162,773	2,430,787
<b>Cash and cash equivalents at end of year</b>	\$ 3,239,591	\$ 3,162,773
<b>Supplemental Disclosures:</b>		
Income taxes paid	NONE	NONE
Interest paid	\$ 127,762	\$ 150,794
Non-Cash Operating Activities:		
Value of donated goods and services [Note 11, 10C]	\$ -	\$ 24,229

The accompanying notes are an integral part of consolidated financial statements.

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-profit Organization)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Legal Services of Greater Miami, Inc. ("Legal Services") is a private non-profit corporation, exempt from income tax under Section 501(c) (3) of the United States Internal Revenue Code (IRC). Legal Services provides free civil legal assistance to financially eligible individuals who reside in Miami-Dade County and Monroe County, Florida. The principal services and activities of the organization are the delivery of a full range of civil legal services including counsel and advice, case investigation, negotiation, drafting of legal documents, client and provider education about legal rights and responsibilities, and representation before federal and state administrative, judicial and appellate tribunals. Legal services are provided in the specialty areas of housing, employment and economic security, special education, consumer and community economic development. Services are provided to low income individuals including the elderly, disabled, children, veterans, homeless, victims of domestic violence and the working poor.

Legal Services has established two entities as follows:

1. On January 21, 2015, Legal Services established a separate entity named Legal Services of Greater Miami Foundation, Inc. ("The Foundation") under the Florida Not-for-Profit Corporation Act. The Foundation is organized as a charitable 501(c) (3) corporation with the specific purpose to support Legal Services and has received exempt income tax status from the IRS. The sole member of the Foundation is Legal Services. On March 9<sup>th</sup>, 2015, Legal Services and the Foundation entered into an Endowment Gift Agreement establishing a Term Endowment for the specific purpose of supporting Legal Services. The Term Endowment was established with an initial gift from Legal Services to the Foundation Inc. in the amount of \$18,530,000.

Pursuant to the Gift Agreement, the Foundation has invested the Term Endowment funds in accordance with the investment policies of the Foundation and has administered the Term Endowment in accordance with the Florida Uniform Prudent Management of Investment Funds Act (FUPMIFA), Florida Statutes 617.2104.

2. On July 22, 2015, Legal Services established a separate entity named 4343 LLC, with Legal Services being the sole member. The Company has been formed for the purposes of carrying on the business and any other lawful purpose permitted to be carried on by limited liability companies under Applicable law. 4343 LLC has been disregarded for federal income tax purposes as permitted under Treasury Regulations §301.7701-3(b) (1) (ii).

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-profit Organization)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2019 and 2018**

**B. Basis of Presentation**

The accompanying financial statements were prepared in accordance with the accounting standards established by the Financial Accounting Standards Board (“FASB”), which is the source of generally accepted accounting principles (“GAAP”) for non-profit entities in the United States of America.

**C. New Accounting Pronouncements**

The FASB has issued several accounting pronouncements that are effective in future years as follows:

- ASU 2018-08 *Government Grants – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* to:
  - o clarify the definition of an exchange transaction;
  - o account for most federal grants as donor-restricted conditional contributions, rather than as exchange transactions (the prevalent practice today).
  - o provide an accommodation ("simultaneous release" option) which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today.
  - o scope out government grants to business entities. Procurement (i.e., vendor) arrangements are not affected.
  - o shift the accounting for revenue recognition for most federal grants from an exchange model to the contribution accounting model, which provides relief from robust disclosures. For federal grants falling under the contribution accounting model, only the limited disclosures are required.

The timing of revenue recognition is not expected to change significantly as a result of the shift, because most federal grants are awarded on a cost reimbursement basis, so revenue is triggered by incurring reimbursable costs. The effective date for Legal Services will be January 1, 2020.

- ASU 2016-02 *Leases (Topic 842)*, which represents a complete overhaul of the accounting rules for leases. The guidance was changed to increase transparency, comparability across entities, and minimize the opportunity for organizations to structure leasing arrangements to achieve a particular accounting outcome on the statement of financial position. Previous lease accounting guidance focused on whether the lease arrangement transferred almost all of the risks and/or benefits of ownership. The effective date for Legal Services will be on January 1, 2021.

Legal Services is currently evaluating the effects that these ASU’s will have on the consolidated financial statements.

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-profit Organization)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2019 and 2018**

**D. Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**E. Consolidation**

The accompanying consolidated financial statements present the financial position, changes in net assets, and cash flows of Legal Services and its subsidiaries, the Foundation and 4343 LLC. All significant intercompany balances and transactions are eliminated in consolidation.

**F. Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid short-term investments with original maturities of three (3) months or less. Interest earned on cash and cash equivalents is considered an increase in net assets without donor restrictions unless otherwise restricted by the donor.

Legal Services segregates client trust funds from all other sources by placing them in separate bank accounts that are titled as “Interest on Lawyers Trust Accounts”. These funds are recorded as assets and liabilities and are presented separately on the statement of financial position.

**G. Liquidity**

As part of Legal Services’ liquidity management, it invests cash in excess of daily requirements in short-term investments, CD’s and money market funds. Legal Services also has an investment portfolio held by the Foundation. The Foundation Board has established a spending policy for the annual distribution of earnings to support the operations of Legal Services. In addition, the Foundation has the discretion to distribute funds from the principal to support the operations when special circumstances warrant.

The Board designated endowment of \$19.5 million as of December 31, 2019, is subject to an annual spending rate of 2.5% as described in Note 3. The Foundation funds primarily consist of endowments without donor restrictions of which certain funds are designated by the Board as endowments. Income from the endowments is considered unrestricted. Donor-restricted endowment funds of approximately \$100,000 are not available for general expenditure. See Note 3.

In addition, financial assets available for general expenditure (without donor restrictions) as of December 31, 2019, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

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Cash and cash equivalents	\$2,492,061
Short-term investments	258,351
Unconditional promises to give	154,070
2020 Distributions from Foundation	458,430
Total	<u>\$3,362,912</u>

As more fully described in Note 7, the Organization also has a committed line of credit in the amount up to \$5.5 million, which it could draw upon in the event of an unanticipated liquidity need.

**G. Concentration of Credit Risk**

Financial instruments, which potentially subject Legal Services to concentrations of credit risk, consist principally of cash and cash equivalents, restricted cash and investments. Cash accounts may exceed federally insured limits from time to time. A summary of total insured and uninsured cash balances follows:

	<u>2019</u>	<u>2018</u>
Total cash in bank	\$ 3,239,592	\$3,162,773
Portion insured by FDIC	(2,361,820)	(2,368,792)
Uninsured balances	<u>\$877,772</u>	<u>\$793,981</u>

The Foundation invests in a variety of publicly traded investment vehicles, including U.S. Treasury bonds, notes, and bills, and money market funds totaling \$19,585,077 and \$16,986,018, as of December 31, 2019 and 2018, respectively. Management seeks to mitigate risks inherent in the investment portfolio by investing primarily in highly-rated financial instruments and through regular monitoring of the investment portfolio.

Management believes that Legal Services and its subsidiaries are not exposed to any significant credit risk on its cash and cash equivalents as of the end of the fiscal year. Also, the investment portfolio is adequately diversified.

**H. Net Assets**

*Net assets without donor restrictions*

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. The net assets without donor restrictions are those generated through operations, capital campaign funds and the Endowment funds, which have a Board designation (see Note 3).

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Net assets without donor restrictions for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 25,886,420	\$22,760,957

*Net assets with donor restrictions*

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Legal Services reports contributions of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the consolidated statement of activities as net assets released from donor restrictions.

Legal Services receives grants from its funders. Those funds are considered restricted until spent as stipulated in the respective grant agreements. The net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes. The net assets with restrictions are:

- Legal Services Corporation, which are the carryover funds allowed under the grant agreement up to 10% of the basic field grant award;
- Donations for Operations, which are donations received to fund fellowships and law clerks; and
- A portion of the Endowment fund for an amount received with a donor with a donor stipulation.

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Net assets with donor restrictions were as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Specific Purpose		
Legal Services Corporation	\$290,649	\$326,160
Donations for Operations	89,278	123,005
Endowment –Donor stipulated	100,000	100,000
<b>Total net assets with donor restrictions</b>	<b>\$479,927</b>	<b>\$549,018</b>

Net assets released from net assets with donor restrictions were as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of Specific Purpose		
Grants, contracts, contributions and donated goods and services	\$7,236,903	\$6,323,597

## **I. Contract and Grant Support**

### **1. General**

Grant revenues are recognized on the accrual basis and reported at gross amounts. Legal Services recognizes receivables from grantors, to the extent services have been performed and costs incurred but not reimbursed. Conversely, liabilities (deferred revenues) are recorded when contract advances exceed eligible costs incurred.

### **2. Legal Services Corporation (“LSC”) - Basic Field Grant**

LSC is a non-profit corporation established by Congress to administer the federal government's legal assistance program throughout the United States of America. Legal Services recognizes LSC Basic Field grant funds as support, on a straight-line basis, over the grant period. Funds remaining unused at the end of the accounting period are recorded as net assets with donor restrictions. The LSC net assets are subject to provisions of LSC's regulations. In accordance with its grant agreement with LSC, Legal Services may use unspent funds in future periods, as long as expenses incurred are in compliance with specified terms of the LSC grant. LSC may, at its discretion, request reimbursement for expenses, or return of funds, or both, as a result of non-compliance by Legal Services with the LSC grant requirements. In addition, if Legal Services terminates LSC grant activities, all unused funds are to be returned to LSC.



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**J. Contributions**

Legal Services accounts for contributions in accordance with ASC 958-605-25, *Not-for-Profit Entities-Revenue Recognition-Contributions Received*, which requires recording contributions received as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions with donor restrictions are reported as with donor restrictions and then reclassified to without donor restriction net assets upon the expiration of either time or use restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year.

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Our federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2019 and 2018, conditional contributions approximating \$7,118,437 and \$6,281,460, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

**K. Donated Items and In-Kind Contributions**

Donated items and in-kind contributions represent donated goods and services from individuals and other organizations as part of Legal Services' program services. Donated services are recognized as contributions in accordance with ASC 958-605-25, *Not-for-Profit Entities-Revenue Recognition-Contributions Received*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, which otherwise would have been purchased by Legal Services. Donated items and in-kind contributions are recorded at their estimated fair value at the date of contribution.

**L. Concentration of Revenue**

For the years ended December 31, 2019 and 2018, Legal Services received approximately forty-five (45%) and sixty-two percent (62%), respectively, of its total funding from LSC Basic Field.

**M. Property**

**1. General**

An estimated service life of five to ten years has been assigned to the furniture, fixtures, and equipment; five to thirty years to capital expenditures; and thirty nine- and one-half years to building.

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Property, equipment, and capital expenditures in excess of \$5,000 are capitalized. Depreciation of property, equipment, capital expenditures, building, and building improvements is computed on a straight-line basis over the estimated service lives of the assets. Property is capitalized at cost and is presented at its net carrying value on the statement of financial position. Maintenance and repair costs are expensed in the period incurred. When property is retired, or otherwise disposed of, identifiable cost is removed from the asset accounts and the related depreciation reserve, with the difference being charged to income or loss. Management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Property and equipment acquired with LSC funds are considered owned by Legal Services while used in the program or in future authorized programs. However, LSC has a reversionary interest in the assets acquired with its funds, as well as the determination of use of the proceeds from the sale of those assets.

**2. Land**

Land is recorded and presented at cost and is not depreciated because the value is expected neither to diminish over time nor to be exhausted by activities.

**N. Investments**

Financial instruments have been recorded at Fair Value. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**O. Allocation of Expenses**

Some common expenses are incurred which support work performed under more than one grant or contract. Such expenses are allocated among the various grants under a cost allocation plan. The costs of providing the various programs and other activities have been summarized in the statement of activities and statement of functional expenses. The consolidated statements of functional expenses present expenses by function and natural classification. Accordingly, certain costs have been allocated to the programs (general law and senior citizens) and supporting services (management and general and fundraising) benefited. The expenses that are allocated include depreciation, interest and space and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Salaries incurred for work with related entities are fully reimbursed by those entities.

**P. Income and Property Taxes**

Legal Services and the Foundation are exempt from federal income taxes under Section 501(c)(3). The Foundation is not a "private foundation" under Section 509(a) of the IRC, as amended by the IRC. They are also exempt from Florida income, tangible and intangible

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personal property taxes; accordingly, no provision for these taxes have been made in the financial statements.

Management evaluated Legal Services and its subsidiaries income tax positions and concluded that Legal Services and its subsidiaries had taken no uncertain income tax positions that require adjustments to the financial statements. Generally, Legal Services and its subsidiaries are not subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2016, which is the standard statute of limitations look-back period.

**Q. Fair Value of Financial Instruments**

The fair value of financial instruments held by the Foundation as of December 31, 2019 and 2018 are based on a variety of factors and assumptions and may not necessarily be representative of actual gains and losses that will be realized in the future and do not include expenses that could be incurred in an actual sale or settlement of such financial instruments. The carrying values for cash and cash equivalents, contributions receivable, other receivables, accounts payable and accrued expenses approximate the fair values based on their short-term nature.

**R. Measure of Operations**

The statement of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to LSGMI Services' ongoing legal services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**NOTE 2. CASH AND CASH EQUIVALENTS**

Cash, cash equivalents, and short-term investment balances at December 31, 2019, included \$241,467 for LSC (with donor restrictions), \$2,093,066 for the Capital Campaign (without donor restrictions), \$412,337 for cash held with donor restrictions, \$93,725 for restricted client trust funds, \$262,091 (operations without donor restrictions) \$46,380 for 4343 LLC (without donor restrictions), and \$90,524 for the Foundation (without donor restrictions). At December 31, 2018, the balances were \$356,600 for LSC (with donor restrictions), \$1,859,634 for the Capital Campaign (without donor restrictions), \$520,824 for cash held with donor restrictions, \$241,598 for restricted client trust funds, \$108,581 (operations without donor restrictions), \$57,170 for 4343 LLC (without donor restrictions), and \$18,366 for the Foundation (without donor restrictions). Cash and cash equivalent without donor restrictions balances at December 31, 2019 and 2018 totaled \$2,492,061 and \$2,043,751, respectively.

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The following table provides a reconciliation of total cash, cash equivalents and restricted cash within the consolidated statements of financial position as of December 31, 2019, to the same amount on the cash flows:

Cash and cash equivalents	\$2,492,061
Cash – client trust funds and donor restricted	747,530
<hr/>	
<b>Total cash and cash equivalents and cash – client trust funds and donor restricted shown in the statement of cash flows</b>	<b>\$3,239,591</b>

**NOTE 3. ENDOWMENTS**

The endowment includes both funds designated by the Foundation Board and donor-restricted endowment funds. As required by the U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation is subject to the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) and thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until any purpose restrictions have been met. The Foundation Board has interpreted FUPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed the endowment fund, unless a donor stipulates the contrary. As a result, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the fund, and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation permits spending from underwater funds in accordance with the prudent measures required under the law. The Foundation has established a spending policy for the distribution of earnings to support the operations of Legal Services of Greater Miami. The Foundation has the discretion to distribute funds from the principal to support the operations of Legal Services of Greater Miami when special circumstances warrant. The distribution rate is 2.5% of the historical three-year average of the investment balance.

In accordance with the FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Foundation and the donor-restricted endowment fund;
- General economic conditions;

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- The expected total return from income and the appreciation of investments;
- Other sources of the Foundation; and
- The investment policies of the Foundation.

The Foundation's general investment objectives are to safeguard and preserve the real purchasing power of the Fund while earning investment returns that are commensurate with acceptable risk tolerance and sufficient to meet the funding needs of Legal Services' operational requirements. The Fund shall be invested with the objective of preserving the long-term real purchasing power of the Fund's assets while seeking an appropriate level of investment return and annual distributions in accordance with the spending policy. Specific investment objectives include: Preservation of Purchasing Power, Long-Term Growth, Annual Distribution and Liquidity Requirements to obtain annual distributions for further distribution to Legal Services in accordance with its spending policy and risk tolerance.

The Foundation has adopted a total return strategy designed to provide balance to the overall structure of the investment program over the long-term. The Foundation Board reviews the spending policy annually.

The net asset composition by fund type as of December 31, 2019, is composed of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$16,427,916	\$ -	\$16,427,916
Accumulated investment gains and (losses)	3,057,161	-	3,057,161
Donor restricted endowment funds*		100,000	100,000
<b>Total funds</b>	<b>\$19,485,077</b>	<b>\$100,000</b>	<b>\$19,585,077</b>

\*Donor restricted gift received to fund the Harke Clasby & Bushman Social Justice Fellowship in Honor of Nancy T. Clasby.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$16,886,018	\$100,000	\$16,986,018
Investment return, net	3,060,078	-	3,060,078
Appropriation of assets for expenditure	(461,018)	-	(461,018)
<b>Endowment net assets, end of year</b>	<b>\$19,485,077</b>	<b>\$100,000</b>	<b>\$19,585,077</b>

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The net asset composition by fund type as of December 31, 2018, is composed of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$16,427,916	\$ -	\$16,427,916
Accumulated investment gains and (losses)	458,102	-	458,102
Donor restricted endowment funds*		100,000	100,000
<b>Total funds</b>	<b>\$16,886,018</b>	<b>\$100,000</b>	<b>\$16,986,018</b>

\*Donor restricted gift received to fund the Harke Clasby & Bushman Social Justice Fellowship in Honor of Nancy T. Clasby.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$18,994,324	\$100,000	\$19,094,324
Investment return, net	(1,342,451)	-	(1,342,451)
Appropriation of assets for expenditure	(765,855)	-	(765,855)
<b>Endowment net assets, end of year</b>	<b>\$16,886,018</b>	<b>\$100,000</b>	<b>\$16,986,018</b>

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Foundation to retain. These deficiencies result from unfavorable market fluctuation that occurred. As of December 31, 2019, and 2018, there is a positive net asset without donor restrictions of \$19.5 million and \$16.9 million, respectively.

The fair value of these investments increased by \$2.6 million during the year ended December 31, 2019 and decreased by \$1.5 million during the year ended December 31, 2018. The change in fair market value has been included within investment returns, net in the accompanying consolidated statements of activities. Unless specifically identified, all investment income, interest, dividends and unrealized and realized gains and losses are recorded as investment returns, net in the without donor restrictions column of the statement of activities.

**NOTE 4. INVESTMENT TRANSACTIONS**

The Foundation complies with ASC 820, Fair Value Measurements and Disclosures (ASC 820), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on

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market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. ASC 820-10-50 categorizes the fair value hierarchy into three levels based on the inputs as follows:

- Level 1: Observable inputs, such as quoted prices in active markets for the identical asset or liability that are accessible at the measurement date.
- Level 2: Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly for the asset or liability. (This includes quoted prices for similar investments, interest rates, credit risk, etc)
- Level 3: Unobservable inputs that reflect the entity's own assumptions about the exit price of the asset or liability. Unobservable inputs may be used if there is little or no market data at the measurement date.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Investments using the Practical Expedient are not categorized within the leveling hierarchy.

Investments in securities are stated at fair value, which is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for investments in mutual funds and short-term investment funds is based on the published closing net asset value per share of each fund. Investments in commingled funds are carried at fair value based on the net asset value as prepared by the manager of the commingled fund, which is based on the underlying assets in each commingled fund, all of which are carried at fair value. The policy is known as the use of Practical Expedient. There were no changes to the valuation policies during the year.

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The following table presents investments measured at fair value on a recurring basis at December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Practical Expedient</u>	<u>Totals</u>
Investments-current	258,351	-	-	-	258,351
Investments-non-current:					
Wilshire U.S. Equity Fund					
Mutual funds	1,592,894	-	-	-	1,592,894
Commingled funds	-	-	-	3,217,148	3,217,148
Short-term investments	955	-	-	-	955
Sub-Total	1,593,848	-	-	3,217,148	4,810,997
Wilshire Non-U.S. Equity Fund					
Mutual funds	2,438,851	-	-	-	2,438,851
Commingled funds	-	-	-	2,411,882	2,411,882
Short-term investments	60	-	-	-	60
Sub-Total	2,438,912	-	-	2,411,882	4,850,793
Wilshire Core Fixed Income Fund:					
Bonds	71,193	637,851	-	-	709,044
Commingled funds	-	-	-	2,100,478	2,100,478
Short-term investments	3,278	-	-	-	3,278
Sub-Total	74,471	637,851	-	2,100,478	2,812,800
Wilshire Opportunistic Credit Funds					
Mutual funds	1,429,679	-	-	-	1,429,679
Commingled funds	-	-	-	1,473,260	1,473,260
Short-term investments	46	-	-	-	46
Sub-Total	1,429,725	-	-	1,473,260	2,902,985
Wilshire Real Assets Funds					
Mutual funds	3,200,706	-	-	-	3,200,706
Commingled funds	-	-	-	1,005,703	1,005,703
Short-term investments	86	-	-	-	86
Sub-Total	3,200,792	-	-	1,005,703	4,206,495
Deferred compensation plan	490,248	-	-	-	490,248
<b>Investments Total</b>	<b>9,486,347</b>	<b>637,851</b>	<b>-</b>	<b>10,208,471</b>	<b>20,332,669</b>



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The following table presents investments measured at fair value on a recurring basis at December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Practical Expedient</u>	<u>Totals</u>
<b>Assets</b>					
Investment-current	250,000	-	-	-	250,000
Investments-non-current:					
Wilshire U.S. Equity Fund					
Mutual funds	1,254,247	-	-	-	1,254,247
Commingled funds	-	-	-	2,544,863	2,544,863
Short-term investments	754	-	-	-	754
Sub-Total	1,255,001	-	-	2,544,863	3,799,864
Wilshire Non-U.S. Equity Fund					
Mutual funds	1,948,554	-	-	-	1,948,554
Commingled funds	-	-	-	1,927,006	1,927,006
Short-term investments	48	-	-	-	48
Sub-Total	1,948,602	-	-	1,927,006	3,875,608
Wilshire Core Fixed Income Fund:					
Bonds	70,128	628,309	-	-	698,437
Commingled funds	-	-	-	2,069,055	2,069,055
Short-term investments	3,229	-	-	-	3,229
Sub-Total	73,357	628,309	-	2,069,055	2,770,721
Wilshire Opportunistic Credit Funds					
Mutual funds	1,302,801	-	-	-	1,302,801
Commingled funds	-	-	-	1,342,515	1,342,515
Short-term investments	42	-	-	-	42
Sub-Total	1,302,843	-	-	-1,342,515	2,645,358
Wilshire Real Assets Funds					
Mutual funds	2,961,036	-	-	-	2,961,036
Commingled funds	-	-	-	930,396	930,396
Short-term investments	80	-	-	-	80
Sub-Total	2,961,116	-	-	930,396	3,891,513
Cash equivalent	2,955	-	-	-	2,955
Deferred compensation plan	490,248	-	-	-	490,248
<b>Investments Total</b>	<b>8,034,122</b>	<b>628,309</b>	<b>-</b>	<b>8,813,835</b>	<b>17,476,266</b>

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**NOTE 5. PROPERTY AND EQUIPMENT, NET**

Property and equipment as of December 31, 2019 consists of the following:

	<u>Land</u>	<u>Building and improvements</u>	<u>Furniture, fixtures and equipment</u>	<u>Total</u>
<b>Property and Equipment as of January 1, 2019</b>	\$1,280,333	\$8,161,982	\$137,763	\$9,580,078
Additions	-	6,551	41,934	48,485
Disposals	-	-		
<b>Total Property and Equipment as of December 31, 2019</b>	1,280,333	8,168,533	179,697	9,628,563
<b>Accumulated Depreciation as of January 1, 2019</b>	-	(415,686)	(54,210)	(469,896)
Disposals	-	-		
Depreciation	-	(242,479)	(29,760)	(272,239)
<b>Total Accumulated Depreciation as of December 31, 2019</b>	-	(658,165)	(83,970)	(742,136)
<b>Property and Equipment as of December 31, 2019</b>	\$1,280,333	\$7,510,368	\$94,360	\$8,886,427

Property and equipment as of December 31, 2018 consists of the following:

	<u>Land</u>	<u>Building and improvements</u>	<u>Furniture, fixtures and equipment</u>	<u>Total</u>
<b>Property and Equipment as of January 1, 2018</b>	\$1,280,333	\$7,805,014	\$142,051	\$9,227,398
Additions	-	356,968	20,390	377,358
Disposals	-	-	(24,678)	(24,678)
<b>Total Property and Equipment as of December 31, 2018</b>	1,280,333	8,161,982	137,763	9,580,078
<b>Accumulated Depreciation as of January 1, 2018</b>	-	(197,595)	(60,916)	(258,511)
Disposals	-	-	24,678	24,678
Depreciation	-	(218,091)	(17,972)	(236,063)
<b>Total Accumulated Depreciation as of December 31, 2018</b>	-	(415,686)	(54,210)	(469,896)
<b>Property and Equipment as of December 31, 2018</b>	\$1,280,333	\$7,746,296	\$83,553	\$9,110,182

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-profit Organization)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2019 and 2018**

**A. Sale and Purchase of Building**

On October 23, 2014, Legal Services sold its real estate, an office building with land located in Miami. No LSC funds were used to purchase or provide for capital improvements of the real estate and, therefore, LSC has no derivative income from the transaction. Proceeds from sale were recorded in the Capital Campaign Fund. As part of the compensation received for the sale of the building, Legal Services had the right to occupy the building until November 30, 2015, at no cost. Legal Services occupied the building for an extended period through December 31, 2016, and recorded rental expense for the extended period.

On September 11, 2015, 4343 LLC purchased land and building for \$4,015,303. The building was renovated with occupancy of Legal Services operations on January 1, 2017. Legal Services occupies 56% of the building. No LSC funds were used to purchase or provide for capital improvements of the real estate.

**B. Depreciation**

Total depreciation expense was \$272,239 and \$236,063 in 2019 and 2018, respectively. Total accumulated depreciation at December 31, 2019 and 2018 was \$742,136 and \$469,896, respectively.

**NOTE 6. PROMISES TO GIVE (PLEDGES)**

Conditional and unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional and unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. The discount rate is 4.5%. Amortization of the discounts is included in contributions revenue. Legal Services does not recognize subsequent interest on promises to give, however, the effect is immaterial. Legal Services annually assesses collectability of outstanding pledges based on historical information. Pledges deemed uncollectible are written off against the allowance.

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At December 31, 2019, promises to give consisted of:

Capital Campaign	\$330,448
Less: Unamortized discount	(14,785)
Less: Allowance for uncollectible	<u>(32,855)</u>
Net promises to give	<u>\$282,808</u>
Amounts due in:	
2020	\$179,881
2021	142,901
2022	<u>7,667</u>
Total	<u>\$330,448</u>

Unconditional promises to give were primarily a result of Legal Services “*Building the Cornerstone*” Campaign.

Conditional promises to give are not included as support until the conditions are substantially met. The conditions consist of specific purposes such as the hiring of a law clerk or fellowship. The conditional promises to give at December 31, 2019 and 2018 were \$0 and \$ 14,200, respectively.

**NOTE 7. LINE OF CREDIT**

The Foundation opened a new line of credit in 2017 in the amount of \$5,500,000. The line of credit which is a security-based loan bears interest at the rate of the bank prime rate of LIBOR plus 1.05%. As of December 31, 2019, and 2018, the rate was 1.950% and 2.429%, respectively. As per the closing documents, the line of credit is due on demand. As of December 31, 2019, and 2018, the Foundation drew \$0 and \$273,956, respectively, from the Line of Credit and as of December 31, 2019 and 2018, the balance outstanding is \$610,478 and \$610,478, respectively.

**NOTE 8. LONG TERM DEBT - MORTGAGE**

On May 31, 2017, 4343 LLC closed on a tax-exempt bond financed mortgage for \$5,000,000 to immediately pay off the \$4,900,000 Foundation Line of Credit for construction costs and \$100,000 in loan closing costs for the building located at 4343 West Flagler Street in Miami, FL. The building and its improvements are collateral on this mortgage. Interest incurred during the construction period is capitalized. Interest incurred after the construction period is expensed. The

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principal and interest payments began when construction was complete in June 2017. The first six months were interest only. Principal payments began in 2018.

The annual anticipated principal maturities for the loan as of December 31, 2019 are as follows:

<i>Years ended December 31,</i>	<i>Loan Payable</i>
2019	\$ 300,666
2020	309,039
2021	317,646
2022	326,492
2023	335,584
2024 and thereafter	2,833,460
<b>Total</b>	<b>\$ 4,422,887</b>

There is a loan to value ratio (LVR) covenant obtained by dividing (i) outstanding principal balance of the loan by (ii) the value of the building, expressed as a %, shall not be greater than 80%. As of December 31, 2019, the LVR was 50.3%.

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

**A. Contingencies– Grants**

The costs and unexpended funds reflected in the accompanying financial statements relating to grant funded programs are subject to audit by the respective funding agencies (funding sources). The possible disallowance by the related funding agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

**NOTE 10. REVENUES**

**A. Grants and Contracts**

The Summary of Funding Schedules located after the notes to the financial statements, present the major grant and contract activities for the year ended December 31, 2019.

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**B. Investment Gain/ (Loss)**

The Foundation recorded an unrealized gain of \$2.6 million on the investment for fiscal year 2019 and a loss of 1.5 million for year ended December 31<sup>st</sup>, 2018. The valuation was based on fair market value as of December 31, 2019.

**C. Donated Goods and Services**

The value of donated goods and services for year ended December 31, 2019 and 2018 were \$0 and \$24,229, respectively.

**C. Irrevocable Pledge**

On September 20, 2016, Legal Services accepted a pledge in the amount of \$1,000,000 from a donor's estate to create an Endowed Women and Children's Rights Attorney Chair. Once received, the funds will be considered with donor restriction.

**NOTE 11. DONATIONS**

Contributions received, including unconditional promises to give, are recognized as revenue in the statement of activities in the with donor restrictions column in the period made at their fair values. Conditional promises to give, whether received or made, are recognized when they become unconditional, that is, when the conditions are substantially met.

**NOTE 12. EMPLOYEE BENEFIT PLANS**

**A. Legal Services 401(k) Plan & Trust**

Legal Services' 401(k) plan became effective in 2003. Full-time employees become eligible on the first of the month, following a year of employment. The plan allows eligible employees to defer a portion of their compensation up to the allowable limit per the IRC. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds.

Legal Services may make matching contributions on behalf of the plan participants in an amount determined by Legal Services in its sole discretion for each plan year. For 2018 and 2017, the rate of Legal Services' match was 50% of employees' contribution not to exceed 2% of employees' qualified compensation.

The plan also provides a non-elective component, where Legal Services may make a discretionary contribution, which is allocated based on the proportion of each eligible employee's points to the total points of all eligible employees. Eligible employees receive 100 points for every full year of service and one (1) point for every \$25 of compensation.

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**B. Legal Services 403(b) Tax Deferred Annuity Plan**

Legal Services offers a tax deferred annuity plan to its employees. Under the plan, employees may have a portion of their salaries withheld and used to purchase an annuity for retirement benefits. Salaries for income tax purposes do not include amounts withheld for contributions to these plans. No past service costs are associated with this plan. Employees are fully vested immediately for their contributions. Legal Services does not make employer contributions to the tax-sheltered annuity plan.

**C. Legal Services 457(b) Deferred Compensation Plan**

Legal Services offers a 457(b) deferred compensation plan to managers and highly compensated employees. The plan allows participants to defer a portion of their compensation up to the allowable limit per the IRC. Participants are fully vested immediately for their contributions. No past service costs are associated with this plan. Legal Services does not make employer contributions to this plan. As of December 31, 2019, three (3) participants had balances in the plan. Balances of the plan are reflected at fair market value, as reported by the plan provider, in the statement of financial position as long-term investments and a related deferred compensation plan liability. The amounts as of December 31, 2019 and 2018 are \$490,248 and \$490,248, respectively.

**D. Flexible Spending Plan**

Legal Services provides an IRC Section 125 Cafeteria Plan for substantially all employees. Under this plan eligible employees may contribute their pre-tax dollars to either a dependent care reimbursement plan or to a health expense reimbursement plan.

**NOTE 13. COMPENSATED ABSENCES**

Accumulated vacation leave liability at December 31, 2019 and 2018 was \$395,102 and \$430,321, respectively, and is included in accrued expenses in the statements of financial position.

**NOTE 14. PUBLIC SUPPORT WHICH REQUIRES MATCH**

Legal Services received a portion of its support from the State of Florida Department of Children and Family Services, passed through the Alliance for Aging, Inc. Income is earned on a unit cost basis for services delivered under the contract. The contract requires a specific local match.

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The matching computation is as follows:

Total Program Expenses		\$	7,650,800
Less: non-matching revenue			<u>(5,995,560)</u>
Expenses after non-matching revenue			1,655,240
Non-reimbursable expenses (income)			<u>(21,904)</u>
Reimbursable expense			1,633,336
Amount received or receivable requiring match (90%)	\$285,900		
Match required (10%)	<u>28,590</u>		<u>(314,490)</u>
Excess expenditures			<u><u>\$1,318,846</u></u>

Excess expenditures demonstrate that the amounts received from the State of Florida (plus the matching amounts) did not exceed the reimbursable expenses.

**NOTE 15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 16, 2020, which is also the date the financial statements were available to be issued. On March 11, 2020, the World Health Organization declared a novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this report, our business remains open, subject to modified procedures and client interactions. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact our consolidated financial position, consolidated results of operations, and consolidated cash flows in future periods.



**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**SUMMARY OF FUNDING SCHEDULE-BY PERIODS OF RECOGNITION (SCHEDULE I)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

SOURCE	PERIOD		CONTRACT AWARD AMOUNT	2019 SUPPORT	PASSED THROUGH TO SUBRECIPIENTS	PREVIOUSLY RECOGNIZED	AVAILABLE IN THE FUTURE
	FROM	TO					
<u>Legal Services Corporation</u>							
Basic Field	1/1/19	12/31/19	\$ 3,731,958	\$ 3,731,958	\$ -	\$ -	\$ -
Probono Innovation Fund	10/1/18	9/30/20	383,270	138,714	-	12,883	231,673
Disaster Relief-2017 Hurricanes and CA Wildfires	10/1/18	9/30/20	1,037,125	541,292	-	21,523	474,310
Technology Initiative	10/1/18	7/31/21	144,862	88,308	-	-	56,554
Technology Initiative	10/1/14	9/30/17	104,756	-	-	103,356	1,400
Rural Summer Fellowship	7/1/19	9/30/19	5,000	5,000	-	-	-
			<u>5,406,971</u>	<u>4,505,271</u>	<u>-</u>	<u>137,762</u>	<u>763,938</u>
Attorney General							
<u>Florida Bar Foundation</u>							
Probono Transformation and Innovation Fund	4/1/2018	3/31/2019	100,000	25,000	-	75,000	-
Probono Transformation and Innovation Fund	4/1/2019	3/31/2020	51,873	36,660	-	-	15,213
Community Economic Development Initiative	1/1/2019	12/31/2019	1,012,145	1,012,145	627,297	-	-
Children's Legal Services	4/1/18	3/31/19	100,000	25,000	-	75,000	-
Children's Legal Services	4/1/19	3/31/20	79,105	23,489	-	-	55,616
			<u>1,343,123</u>	<u>1,122,294</u>	<u>627,297</u>	<u>150,000</u>	<u>70,829</u>
<u>State of Florida</u>							
Department of Elder Affairs-Title IIIB Alliance for Aging	1/1/19	12/31/19	168,015	168,000	-	-	15
Department of Elder Affairs-Title IIIE Alliance for Aging	1/1/19	12/31/19	<u>117,923</u>	<u>117,900</u>	<u>-</u>	<u>-</u>	<u>23</u>
			<u>285,938</u>	<u>285,900</u>	<u>-</u>	<u>-</u>	<u>38</u>
<u>Monroe County</u>							
Monroe County - Funding	1/1/19	12/31/19	24,168	37,788	-	-	(13,620)
			<u>24,168</u>	<u>37,788</u>	<u>-</u>	<u>-</u>	<u>(13,620)</u>
<b>Balance forward</b>			<b>7,060,200</b>	<b>5,951,253</b>	<b>627,297</b>	<b>287,762</b>	<b>821,185</b>

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**SUMMARY OF FUNDING SCHEDULE-BY PERIODS OF RECOGNITION (SCHEDULE I)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

SOURCE	PERIOD		CONTRACT	2019	PASSED THROUGH	PREVIOUSLY	AVAILABLE
	FROM	TO	AWARD AMOUNT	SUPPORT	TO SUBRECIPIENTS	RECOGNIZED	IN THE FUTURE
<b>Balance brought forward</b>			<b>\$ 7,060,200</b>	<b>\$ 5,951,253</b>	<b>\$ 627,297</b>	<b>\$ 287,762</b>	<b>\$ 821,185</b>
<u>Miami-Dade County</u>							
Ryan White HIV/AIDS Part A	3/1/19	2/28/20	189,000	106,288	-	-	82,712
Ryan White HIV/AIDS Part A	3/1/18	2/28/19	194,000	(6,362)	-	143,510	56,852
Homeless Trust ESG	7/1/18	6/30/19	36,432	16,865	-	19,567	-
Homeless Trust ESG	7/1/19	6/30/20	29,671	29,195	-	-	476
Fast Track Project	10/1/18	9/30/19	36,670	6,416	-	30,254	-
New American Project	10/1/18	9/30/19	52,700	27,958	-	5,454	19,288
LGBT Justice Project	10/1/18	9/30/19	26,360	18,962	-	7,398	-
REAL Project	10/1/18	9/30/19	63,950	40,993	-	9,676	13,281
Fast Track Project	10/1/19	9/30/20	36,670	31,449	-	-	5,221
New American Project	10/1/19	9/30/20	35,000	10,922	-	-	24,078
LGBT Justice Project	10/1/19	9/30/20	26,360	7,838	-	-	18,522
REAL Project	10/1/19	9/30/20	63,950	18,681	-	-	45,269
Camillus Health Concern	8/15/19	1/15/20	8,333	6,667	-	-	1,666
Camillus House	10/1/18	9/30/19	25,500	22,920	-	2,580	-
			<u>824,596</u>	<u>338,792</u>	-	<u>218,439</u>	<u>267,365</u>
Low-Income Taxpayer Clinic (IRS)	1/1/19	12/31/19	100,000	100,000	-	-	-
Supportive Services for Veteran Families	10/1/19	9/30/20	119,179	16,875	-	-	102,304
Supportive Services for Veteran Families	10/1/18	9/30/19	119,348	104,413	-	14,766	169
The Miami Foundation, Inc.	6/1/18	5/30/19	15,000	-	-	15,000	-
Advocate Program Rapid Rehousing Project	12/1/16	11/30/18	30,000	-	-	16,000	-
Advocate Program Rapid Rehousing Project	12/1/18	11/30/19	30,000	1,000	-	2,000	27,000
Catalyst Miami- Allegany Overtown Initiative	7/1/17	6/30/20	187,500	71,110	-	88,464	27,926
Allegany Franciscan Ministries-Expansion	7/1/18	6/30/20	75,000	40,257	-	16,640	18,103
Equal Justice Works CED Fellowship	9/1/17	8/31/19	100,000	21,111	-	62,500	16,389
Equal Justice Works Haitian Fellowship	9/1/17	8/31/19	100,000	33,334	-	66,666	-
Equal Justice Works Fellowship	9/1/18	8/31/20	100,000	50,002	-	16,666	33,332
Equal Justice Works Fellowship	9/1/19	8/31/21	100,000	16,668	-	-	83,332
Gang Alternative	10/15/17	9/30/19	72,000	7,568	-	42,001	22,431
Gang Alternative	10/1/19	9/30/21	72,000	831	-	-	71,169
United Way Mission United	7/1/19	6/30/20	92,952	46,476	-	-	46,476
United Way Mission United	7/1/18	6/30/19	84,658	42,329	-	42,329	-
United Way Financial Stability Center	7/1/19	6/30/22	150,000	50,000	-	-	100,000
United Way Financial Stability Center	1/1/17	6/30/19	125,000	-	-	95,833	29,167
United Way Community Initiative	7/1/19	6/30/20	3,000	2,600	-	-	400
United Way of Florida Keys	5/18/18	6/30/19	15,000	10,401	-	4,599	-
University of Miami Tenants Rights Clinic	1/1/19	4/30/19	10,000	10,000	-	-	-
University of Miami Practicum	1/1/19	4/30/19	5,000	5,000	-	-	-
University of Miami PBFF	5/15/19	9/30/19	25,000	25,000	-	-	-
City of Miami Anti-Poverty Initiative	3/16/18	3/18/19	10,000	2,085	-	7,915	-
David A. Grossman Fellowship	9/1/18	9/1/19	50,000	33,336	-	16,664	-
Opportunities Industrialization Center of South Florida Miami Dade Adult Reentry Project	10/1/17	9/30/19	10,000	4,860	-	5,140	-
Opportunities Industrialization Center of South Florida SOAR Project	10/1/17	9/30/19	10,000	80	-	1,760	8,160
Florida Justice Technology Center	11/1/18	11/1/19	3,200	-	-	-	3,200
The Batchelor Foundation	10/1/19	9/30/20	20,000	4,998	-	-	15,002
The Batchelor Foundation	7/1/18	6/30/19	20,000	18,408	-	1,592	-
Chapman	1/1/19	12/31/19	55,000	55,000	-	-	-
Disaster Philanthropy-Centro Campesino	11/1/18	2/1/20	20,000	18,666	-	-	1,334
			<u>1,928,837</u>	<u>792,409</u>	-	<u>516,535</u>	<u>605,893</u>
<b>TOTAL</b>			<b>\$ 9,813,633</b>	<b>\$ 7,082,454</b>	<b>\$ 627,297</b>	<b>\$ 1,022,736</b>	<b>\$ 1,694,444</b>

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**SUMMARY OF FUNDING SCHEDULE-BALANCES BY ACCOUNT (SCHEDULE II)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

SOURCE	PERIOD FROM	TO	December 31, 2018		December 31, 2019					
			ACCOUNTS RECEIVABLE	DEFERRED INCOME	2019 SUPPORT	PASSED THROUGH TO SUBRECIPIENTS	2019 RECEIPTS	ACCOUNTS RECEIVABLE	ACCRUED EXPENSES	DEFERRED INCOME
<u>Legal Services Corporation</u>										
Basic Field	1/1/19	12/31/19	\$ -	\$ -	\$ 3,731,958	\$ -	\$ 3,731,958	\$ -	\$ -	\$ -
Probono Innovation Fund	10/1/18	9/30/20	12,883	-	138,714	-	153,308	-	-	1,711
Disaster Relief-2017 Hurricanes and CA Wildfires	10/1/18	9/30/20	-	151,365	541,292	-	345,777	44,149	-	-
Technology Initiative	10/1/18	7/31/21	-	-	88,308	-	59,944	28,364	-	-
Technology Initiative	10/1/14	9/30/17	-	-	-	-	-	-	-	-
Rural Summer Fellowship	7/1/19	9/30/19	-	-	5,000	-	5,000	-	-	-
			<u>12,883</u>	<u>151,365</u>	<u>4,505,271</u>	<u>-</u>	<u>4,295,987</u>	<u>72,513</u>	<u>-</u>	<u>1,711</u>
<u>Florida Bar Foundation</u>										
Probono Transformation and Innovation Fund	4/1/18	3/31/19	-	25,000	25,000	-	-	-	-	-
Probono Transformation and Innovation Fund	4/1/19	3/31/20	-	-	36,660	-	51,873	-	-	15,213
Community Economic Development Initiative	1/1/19	12/31/19	-	-	1,012,145	627,297	1,012,145	-	-	-
Children's Legal Services	4/1/18	3/31/19	-	25,000	25,000	-	-	-	-	-
Children's Legal Services	4/1/19	3/31/20	-	-	23,489	-	79,105	-	-	55,616
			<u>-</u>	<u>50,000</u>	<u>1,122,294</u>	<u>627,297</u>	<u>1,143,123</u>	<u>-</u>	<u>-</u>	<u>70,829</u>
<u>State of Florida</u>										
Department of Elder Affairs-Title IIIB										
Alliance for Aging	1/1/19	12/31/19	-	-	168,000	-	140,040	27,990	-	-
Department of Elder Affairs-Title IIIE										
Alliance for Aging	1/1/19	12/31/19	-	-	117,900	-	117,900	-	-	-
			<u>-</u>	<u>-</u>	<u>285,900</u>	<u>-</u>	<u>257,940</u>	<u>27,990</u>	<u>-</u>	<u>-</u>
<u>Monroe County</u>										
Monroe County - Funding	1/1/19	12/31/19	-	-	37,788	-	28,497	12,669	-	-
			<u>-</u>	<u>-</u>	<u>37,788</u>	<u>-</u>	<u>28,497</u>	<u>12,669</u>	<u>-</u>	<u>-</u>
<b>Balance forward</b>			<u>12,883</u>	<u>201,365</u>	<u>5,951,253</u>	<u>627,297</u>	<u>5,725,547</u>	<u>113,172</u>	<u>-</u>	<u>72,540</u>

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**SUMMARY OF FUNDING SCHEDULE-BALANCES BY ACCOUNT (SCHEDULE II)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

SOURCE	PERIOD FROM	TO	December 31, 2018		December 31, 2019					
			ACCOUNTS RECEIVABLE	DEFERRED INCOME	2019 SUPPORT	PASSED THROUGH TO SUBRECIPIENTS	2019 RECEIPTS	ACCOUNTS RECEIVABLE	ACCRUED EXPENSES	DEFERRED INCOME
			\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance brought forward</b>			\$ 12,883	\$ 201,365	\$ 5,951,253	\$ 627,297	\$ 5,725,547	\$ 113,172	\$ -	\$ 72,540
<b>Miami-Dade County</b>										
Ryan White HIV/AIDS Part A	3/1/19	2/28/20	-	-	106,288	-	132,021	-	-	25,733
Ryan White HIV/AIDS Part A	3/1/18	2/28/19	18,365	-	(6,362)	-	15,454	-	-	-
Homeless Trust ESG	7/1/18	6/30/19	19,567	-	16,865	-	36,432	-	-	(0)
Homeless Trust ESG	7/1/19	6/30/20	-	-	29,195	-	28,807	388	-	-
Fast Track Project	10/1/18	9/30/19	30,254	-	6,416	-	36,670	-	-	-
New American Project	10/1/18	9/30/19	5,454	-	27,958	-	33,412	-	-	-
LGBT Justice Project	10/1/18	9/30/19	7,398	-	18,962	-	26,360	-	-	-
REAL Project	10/1/18	9/30/19	9,676	-	40,993	-	50,669	-	-	-
Fast Track Project	10/1/19	9/30/20	-	-	31,449	-	-	31,449	-	-
New American Project	10/1/19	9/30/20	-	-	10,922	-	-	10,922	-	-
LGBT Justice Project	10/1/19	9/30/20	-	-	7,838	-	-	7,838	-	-
REAL Project	10/1/19	9/30/20	-	-	18,681	-	-	18,681	-	-
Camillus Health Concern	8/15/19	1/15/20	-	-	6,667	-	4,167	2,500	-	-
Camillus House	10/1/18	9/30/19	2,580	-	22,920	-	25,500	-	-	-
			93,294	-	338,792	-	389,491	71,778	-	25,733
Low-Income Taxpayer Clinic (IRS)	1/1/19	12/31/19	-	-	100,000	-	83,333	16,667	-	-
Supportive Services for Veteran Families	10/1/19	9/30/20	-	-	16,875	-	10,547	6,328	-	-
Supportive Services for Veteran Families	10/1/18	9/30/19	4,219	-	104,413	-	108,612	-	-	-
The Miami Foundation, Inc.	6/1/18	5/30/19	-	-	-	-	-	-	-	-
Advocate Program Rapid Rehousing Project	12/1/16	11/30/18	1,000	-	-	-	-	-	-	-
Advocate Program Rapid Rehousing Project	12/1/18	11/30/19	2,000	-	1,000	-	2,000	-	-	-
Catalyst Miami- Allegany Overtown Initiative	7/1/17	6/30/20	25,964	-	71,110	-	93,750	3,324	-	-
Allegany Franciscan Ministries-Expansion	7/1/18	6/30/20	-	20,860	40,257	-	37,500	-	-	18,103
Equal Justice Works CED Fellowship	9/1/17	8/31/19	-	12,500	21,111	-	12,500	-	-	-
Equal Justice Works Haitian Fellowship	9/1/17	8/31/19	-	8,334	33,334	-	25,000	-	-	-
Equal Justice Works Fellowship	9/1/18	8/31/20	-	8,334	50,002	-	50,000	-	-	8,332
Equal Justice Works Fellowship	9/1/19	8/31/21	-	-	16,668	-	25,000	-	-	8,332
Gang Alternative	10/15/17	9/30/19	3,000	-	7,568	-	11,989	-	-	-
Gang Alternative	10/1/19	9/30/21	-	-	831	-	3,000	-	-	2,169
United Way Mission United	7/1/19	6/30/20	-	-	46,476	-	46,476	-	-	-
United Way Mission United	7/1/18	6/30/19	32,567	-	42,329	-	74,896	-	-	-
United Way Financial Stability Center	7/1/19	6/30/22	-	-	50,000	-	50,000	-	-	-
United Way Financial Stability Center	1/1/17	6/30/19	16,667	-	-	-	16,667	-	-	-
United Way Community Initiative	7/1/19	6/30/20	-	-	2,600	-	1,500	1,100	-	-
United Way of Florida Keys	5/18/18	6/30/19	-	10,401	10,401	-	-	-	-	-
University of Miami Tenants Rights Clinic	1/1/19	4/30/19	-	-	10,000	-	10,000	-	-	-
University of Miami Practicum	1/1/19	4/30/19	-	-	5,000	-	5,000	-	-	-
University of Miami PBFF	5/15/19	9/30/19	-	-	25,000	-	25,000	-	-	-
City of Miami Anti-Poverty Initiative	3/16/18	3/18/19	-	2,085	2,085	-	-	-	-	-
David A. Grossman Fellowship	9/1/18	9/1/19	-	33,336	33,336	-	-	-	-	-
Opportunities Industrialization Center of South Florida Miami Dade Adult F	10/1/17	9/30/19	420	-	4,860	-	5,280	-	-	-
Opportunities Industrialization Center of South Florida SOAR Project	10/1/17	9/30/19	1,760	-	80	-	1,840	-	-	-
Florida Justice Technology Center	11/1/18	11/1/19	-	-	-	-	-	-	-	-
The Batchelor Foundation	10/1/19	9/30/20	-	-	4,998	-	20,000	-	-	15,002
The Batchelor Foundation	7/1/18	6/30/19	-	18,408	18,408	-	-	-	-	-
Chapman	1/1/19	12/31/19	-	-	55,000	-	45,833	9,167	-	-
Disaster Philanthropy-Centro Campesino	11/1/18	2/1/20	-	-	18,666	-	10,000	8,666	-	-
			87,597	114,258	792,409	-	775,723	45,252	-	51,938
<b>TOTAL - Grants and Contracts</b>			193,774	315,623	7,082,454	627,297	6,890,762	230,202	-	150,211

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
(A Non-Profit Organization)  
**SUPPLEMENTAL SCHEDULE OF SUPPORT, REVENUE, EXPENSES, AND**  
**CHANGES IN NET ASSETS FOR LEGAL SERVICES CORPORATION FUNDS**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	Basic Field -									Basic Field -											
	Basic Field Grant	Private Attorney Involvement	Basic Field Sub-Total	Probono Innovation Fund Grant	Disaster Relief-2017 Hurricanes and CA Wildfires Grant	Technology Initiative Grant-13001	Technology Initiative Grant-14018	Property	Rural Summer Fellowship	Total 2019	Basic Field Grant	Private Attorney Involvement	Basic Field Sub-Total	Probono Innovation Fund Grant	Disaster Relief-2017 Hurricanes and CA Wildfires Grant	Technology Initiative Grant-13001	Technology Initiative Grant-14018	Property	Total 2018		
<b>Support and Revenue</b>																					
Grants and contracts	\$ 3,263,413	\$ 468,545	\$ 3,731,958	\$ 138,714	\$ 541,292	\$ -	\$ 88,308	\$ -	\$ 5,000	\$ 4,505,271	\$ 3,341,012	\$ 530,016	\$ 3,871,028	\$ 12,883	\$ 21,523	\$ -	\$ -	\$ -	\$ -	\$ 3,905,434	
Interest income	1,391	-	1,391	-	-	-	-	-	-	\$ 1,391	752	-	752	-	-	-	-	-	-	752	
Miscellaneous	37,723	-	37,723	-	-	-	-	-	-	\$ 37,723	53,793	-	53,793	-	-	-	-	-	-	53,793	
<b>Total Support and Revenue</b>	<b>\$ 3,302,528</b>	<b>\$ 468,545</b>	<b>\$ 3,771,073</b>	<b>\$ 138,714</b>	<b>\$ 541,292</b>	<b>\$ -</b>	<b>\$ 88,308</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 4,544,386</b>	<b>\$ 3,395,557</b>	<b>\$ 530,016</b>	<b>\$ 3,925,573</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,959,979</b>	
<b>Expenses</b>																					
<b>Personnel Expenses</b>																					
Lawyers	\$ 716,761	\$ 138,705	\$ 855,467	\$ 82,785	\$ 45,586	\$ -	\$ 6,049	\$ -	\$ 5,000	\$ 994,887	\$ 676,336	\$ 234,286	\$ 910,622	\$ 406	\$ 1,147	\$ -	\$ -	\$ -	\$ -	\$ 912,175	
Paralegals	248,695	960	249,655	-	-	-	-	-	-	\$ 249,655	224,729	2,002	226,731	-	-	-	-	-	-	226,731	
Support staff	115,051	\$ 128,792	243,843	30,531	35,827	-	8,096	-	-	\$ 318,297	290,897	121,239	412,136	9,342	6,923	-	-	-	-	428,401	
Other	1,063,170	\$ 49,032	1,112,201	-	1,962	-	3,413	-	-	\$ 1,117,577	985,221	37,631	1,022,852	988	1,933	-	-	-	-	1,025,772	
Employee benefits	686,986	\$ 75,644	762,629	24,722	7,696	-	3,488	-	-	\$ 798,536	701,217	75,447	776,664	2,147	8,611	-	-	-	-	787,422	
<b>Total Personnel Expenses</b>	<b>\$ 2,830,663</b>	<b>\$ 393,132</b>	<b>\$ 3,223,795</b>	<b>\$ 138,038</b>	<b>\$ 91,072</b>	<b>\$ -</b>	<b>\$ 21,046</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 3,478,951</b>	<b>\$ 2,878,400</b>	<b>\$ 470,605</b>	<b>\$ 3,349,005</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,380,502</b>	
<b>Other Expenses</b>																					
Computer services / online fees	\$ 19,388	\$ 33,903	\$ 53,291	\$ -	\$ 377,295	\$ -	\$ 51,000	\$ -	\$ -	\$ 481,586	\$ -	\$ 6,295	\$ 6,295	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ 6,895	
Contract services to program	258,017	\$ 23,781	281,798	-	3,750	-	5,300	-	-	\$ 290,848	92,842	23,009	115,851	-	-	-	-	-	-	115,851	
Equipment repairs and maintenance	27,456	-	27,456	-	-	-	-	-	-	\$ 27,456	18,808	2,279	21,087	-	-	-	-	-	-	21,087	
Insurance	39,710	\$ 3,551	43,260	-	-	-	-	-	-	\$ 43,260	19,682	4,808	24,490	-	-	-	-	-	-	24,490	
Law library	8,411	\$ 2,117	10,529	-	-	-	-	-	-	\$ 10,529	-	2,463	2,463	-	-	-	-	-	-	2,463	
Litigation costs	6,269	\$ 2,121	8,390	-	-	-	-	-	-	\$ 8,390	18,998	4,712	23,710	-	-	-	-	-	-	23,710	
Office Supplies	-	\$ 27	27	27	1,270	-	1,323	-	-	\$ 1,323	21,084	2,537	23,621	-	-	-	-	-	-	23,621	
Other direct costs	64,088	\$ 6,415	70,504	192	10,000	-	10,653	-	-	\$ 91,349	50,854	6,872	57,726	-	-	-	-	-	-	57,726	
Photocopying	-	\$ -	-	-	-	-	-	-	-	\$ -	5,172	592	5,764	-	-	-	-	-	-	5,764	
Postage	8,000	\$ -	8,000	-	-	-	-	-	-	\$ 8,000	11,099	1,375	12,474	-	-	-	-	-	-	12,474	
Space and occupancy	-	\$ -	-	-	-	-	-	-	-	\$ -	-	-	-	-	-	-	-	-	-	-	
Telephone	29,958	\$ -	29,958	-	15,971	-	-	-	-	\$ 45,929	-	-	-	-	2,310	-	-	-	-	2,310	
Travel	2,927	\$ 972	3,899	633	-	-	309	-	-	\$ 4,842	11,367	4,470	15,837	-	-	-	-	-	-	15,837	
<b>Total Other Expenses</b>	<b>\$ 464,224</b>	<b>\$ 72,886</b>	<b>\$ 537,110</b>	<b>\$ 852</b>	<b>\$ 408,286</b>	<b>\$ -</b>	<b>\$ 67,262</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,013,511</b>	<b>\$ 249,906</b>	<b>\$ 59,412</b>	<b>\$ 309,318</b>	<b>\$ -</b>	<b>\$ 2,910</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 312,228</b>	
<b>Total Expenses before Depreciation</b>	<b>3,294,888</b>	<b>466,018</b>	<b>3,760,905</b>	<b>138,891</b>	<b>499,358</b>	<b>-</b>	<b>88,308</b>	<b>-</b>	<b>-</b>	<b>4,492,462</b>	<b>3,128,307</b>	<b>530,016</b>	<b>3,658,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,692,730</b>	
Depreciation	10,792	-	10,792	-	8,387	15,160	25,365	14,762	-	74,466	-	-	-	-	-	-	-	-	7,391	7,391	
<b>Total Expenses</b>	<b>\$ 3,305,680</b>	<b>\$ 466,018</b>	<b>\$ 3,771,697</b>	<b>\$ 138,891</b>	<b>\$ 507,745</b>	<b>\$ 15,160</b>	<b>\$ 113,673</b>	<b>\$ 14,762</b>	<b>\$ 5,000</b>	<b>\$ 4,566,928</b>	<b>\$ 3,128,307</b>	<b>\$ 530,016</b>	<b>\$ 3,658,323</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,391</b>	<b>\$ 3,700,121</b>	
<b>Excess (Deficiency) of Support over Expenses</b>	(3,152)	2,527	(625)	(177)	33,547	(15,160)	(25,365)	(14,762)	-	(22,542)	267,250	-	267,250	-	-	-	-	-	(7,391)	259,859	
<b>Other Changes in Net Assets</b>																					
Acquisition of property	-	-	-	-	(33,547)	-	-	-	-	(33,547)	(20,390)	-	(20,390)	-	-	-	-	-	-	20,390	
<b>Transfers - Building Occupancy Expenses</b>	-	-	-	-	-	-	-	-	-	-	(192,315)	-	(192,315)	-	-	-	-	-	-	(192,315)	
<b>Transfers - Interfund &amp; Interentity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Transfers</b>	-	-	-	-	-	-	-	-	-	-	(192,315)	-	(192,315)	-	-	-	-	-	-	(192,315)	
<b>Total Changes in Net Assets</b>	(3,152)	2,527	(625)	(177)	0	(15,160)	(25,365)	(14,762)	-	(56,089)	54,545	-	54,545	-	-	-	-	-	12,999	67,544	
<b>Net Assets at Beginning of Year</b>	<b>242,092</b>	<b>-</b>	<b>242,092</b>	<b>-</b>	<b>-</b>	<b>15,160</b>	<b>41,000</b>	<b>14,762</b>	<b>-</b>	<b>313,014</b>	<b>187,547</b>	<b>-</b>	<b>187,547</b>	<b>-</b>	<b>-</b>	<b>15,160</b>	<b>41,000</b>	<b>14,762</b>	<b>-</b>	<b>258,469</b>	
<b>Net Assets at End of Year</b>	<b>\$ 238,940</b>	<b>\$ 2,527</b>	<b>\$ 241,467</b>	<b>\$ (177)</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ 15,635</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ 256,925</b>	<b>\$ 242,092</b>	<b>\$ -</b>	<b>\$ 242,092</b>	<b>\$ -</b>	<b>\$ 15,160</b>	<b>\$ 41,000</b>	<b>\$ 27,761</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 326,013</b>	

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-Profit Organization)**  
**SUPPLEMENTAL SCHEDULE OF SUPPORT, REVENUE, EXPENSES, AND**  
**CHANGES IN NET ASSETS FOR PRIVATE ATTORNEY INVOLVEMENT PROGRAM**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for 2018)**

	Legal Services Corporation	Capital Campaign	Other	Total 2019	Legal Services Corporation	Capital Campaign	Other	Total 2018
<b>Support and Revenue</b>								
Grants and contracts	\$ 468,545	\$ -	\$ -	\$ 468,545	\$ 530,016	\$ -	\$ -	\$ 530,016
Capital Campaign	-	-	-	-	-	12,299	-	12,299
Miscellaneous	-	-	23,678	23,678	-	-	-	-
Total Support and Revenue	468,545	-	23,678	492,223	530,016	12,299	-	542,315
<b>Expenses</b>								
<b>Personnel Expenses</b>								
Lawyers	138,705	-	-	138,705	234,286	-	-	\$ 234,286
Paralegals	960	-	-	960	2,002	-	-	2,002
Support staff	128,792	-	-	128,792	121,239	-	-	121,239
Other	49,032	-	-	49,032	37,631	-	-	37,631
Employee benefits	75,644	-	-	75,644	75,447	-	-	75,447
Total Personnel Expenses	393,132	-	-	393,132	470,605	-	-	470,605
<b>Other Expenses</b>								
Computer services / online fees	33,903	-	-	33,903	6,295	-	-	\$ 6,295
Contract services to program	23,781	-	-	23,781	23,009	-	-	23,009
Equipment repairs and maintenance	-	-	2,330	2,330	2,279	-	-	2,279
Insurance	3,551	-	-	3,551	4,808	-	-	4,808
Law library	2,117	-	-	2,117	2,463	-	-	2,463
Litigation costs	2,121	-	-	2,121	4,712	-	-	4,712
Office supplies	27	-	2,653	2,680	2,537	81	-	2,618
Other direct costs	6,415	-	11,095	17,511	6,872	11,993	-	18,865
Photocopying	-	-	704	704	592	-	-	592
Postage	-	-	773	773	1,375	225	-	1,600
Telephone	-	-	3,488	3,488	-	-	-	-
Travel	972	-	5,162	6,134	4,470	-	-	4,470
Total Other Expenses	72,886	-	26,205	99,091	59,412	12,299	-	71,711
Total Expenses	466,018	-	26,205	492,223	530,016	12,299	-	542,315
<b>Total Changes in Net Assets</b>	\$ 2,527	\$ -	\$ (2,527)	\$ -	\$ -	\$ -	\$ -	\$ -

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**(A Non-Profit Organization)**  
**SUPPLEMENTAL SCHEDULE OF SUPPORT, REVENUE, EXPENSES, AND CHANGES IN NET ASSETS**  
**For the Year Ended December 31, 2018**  
**(With Comparative Totals for 2017)**

	Legal Services Corporation	LSC Tech-Initiative TIG-13001	LSC Tech-Initiative TIG 2-14018	LSC Probono Innovation Fund Grant	LSC Disaster Relief 2017 Hurricanes and CA Wildfires Grant	Other	Property	LSGMI Total	Foundation	LLC	Total 2019	Total 2018
<b>Support and Revenue</b>												
Grants and contracts	\$ 3,731,958	\$ -	\$ 88,308	138,713.80	\$ 541,292	\$ 2,618,165	\$ -	\$ 7,118,437	\$ -	\$ -	\$ 7,118,437	\$ 6,281,460
Interest income	1,391	-	-	-	-	20,513	-	21,904	-	-	21,904	18,761
Investment return, net	-	-	-	-	-	-	-	-	3,030,337	-	3,030,337	(1,364,227)
Rental income	-	-	-	-	-	-	-	-	-	357,038	357,038	312,859
Contributions	-	-	-	-	-	623,356	-	623,356	-	-	623,356	651,728
In Kind Donations	-	-	-	-	-	-	-	-	-	-	-	24,229
Donations for operations	-	-	-	-	-	27,590	-	27,590	-	-	27,590	56,455
Miscellaneous	37,723	-	-	-	-	97,033	-	134,756	75,000	76,626	286,382	91,552
<b>Total Support and Revenue</b>	<b>3,771,073</b>	<b>-</b>	<b>88,308</b>	<b>138,714</b>	<b>541,292</b>	<b>3,386,657</b>	<b>-</b>	<b>7,926,043</b>	<b>3,105,337</b>	<b>433,664</b>	<b>11,465,044</b>	<b>6,072,812</b>
<b>Expenses</b>												
<b>Personnel Expenses</b>												
Lawyers	855,467	-	6,049	82,785	45,586	1,457,163	-	2,447,050	-	-	2,447,050	2,383,546
Paralegals	249,655	-	-	-	-	112,585	-	362,240	-	-	362,240	388,111
Support staff	243,843	-	8,096	30,531	35,827	146,927	-	465,224	-	-	465,224	492,801
Other	1,112,201	-	3,413	-	1,962	83,660	-	1,201,237	-	-	1,201,237	1,214,380
Employee benefits	762,629	-	3,488	24,722	7,696	220,676	-	1,019,212	-	-	1,019,212	1,032,702
<b>Total Personnel Expenses</b>	<b>3,223,795</b>	<b>-</b>	<b>21,046</b>	<b>138,038</b>	<b>91,072</b>	<b>2,021,012</b>	<b>-</b>	<b>5,494,963</b>	<b>-</b>	<b>-</b>	<b>5,494,965</b>	<b>5,511,538</b>
<b>Other Expenses</b>												
Computer services / online fees	53,291	-	51,000	-	377,295	17,999	-	499,584	-	-	499,584	68,099
Contract services	281,798	-	5,300	-	3,750	77,901	-	368,748	-	-	368,748	349,015
Equipment repairs and maintenance	27,456	-	-	-	-	6,739	-	34,195	-	-	34,195	24,019
In-Kind Expense	-	-	-	-	-	-	-	-	-	-	-	24,229
Insurance	43,260	-	-	-	-	12,076	-	55,335	-	39,760	95,095	88,935
Law library	10,529	-	-	-	-	20,667	-	31,196	-	-	31,196	25,963
Litigation costs	8,390	-	-	-	-	23,257	-	31,647	-	-	31,647	49,824
Office supplies	27	-	-	27	1,270	44,558	-	45,881	-	2,815	48,696	33,307
Other direct costs	70,504	-	10,653	192	10,000	752,979	-	844,327	2,912	71,748	918,986	244,442
Photocopying	-	-	-	-	-	10,376	-	10,376	-	-	10,376	6,240
Postage	8,000	-	-	-	-	7,615	-	15,616	-	17	15,633	14,717
Provision for uncollectible pledges	-	-	-	-	-	16,170	-	16,170	-	-	16,170	(22,298)
Space and occupancy	-	-	-	-	-	50,133	-	50,133	-	309,521	359,654	296,030
Telephone	29,958	-	-	-	15,971	5,460	-	51,389	-	-	51,389	44,580
Pass through amount to subrecipient	-	-	-	-	-	-	-	-	-	-	-	360,612
Travel	3,899	-	309	633	-	27,486	-	32,328	-	-	32,328	29,444
<b>Total Other Expenses</b>	<b>537,110</b>	<b>-</b>	<b>67,262</b>	<b>852</b>	<b>408,286</b>	<b>1,073,415</b>	<b>-</b>	<b>2,086,926</b>	<b>2,912</b>	<b>423,861</b>	<b>2,513,699</b>	<b>1,637,160</b>
<b>Total Expenses Before Depreciation and Interest</b>	<b>3,760,905</b>	<b>-</b>	<b>88,308</b>	<b>138,890</b>	<b>499,358</b>	<b>3,094,427</b>	<b>-</b>	<b>7,581,889</b>	<b>2,912</b>	<b>423,861</b>	<b>8,008,662</b>	<b>7,148,696</b>
Depreciation	10,792	15,160	25,365	-	8,387	(57,705)	27,761	29,760	-	242,479	272,239	236,063
Interest expense	-	-	-	-	-	-	-	-	-	127,762	127,762	150,794
<b>Total Expenses</b>	<b>3,771,697</b>	<b>15,160</b>	<b>113,673</b>	<b>138,890</b>	<b>507,745</b>	<b>3,036,722</b>	<b>27,761</b>	<b>7,611,649</b>	<b>2,912</b>	<b>794,102</b>	<b>8,408,664</b>	<b>7,535,553</b>
<b>Excess (Deficiency) of Support over Expenses before Changes in Property</b>	<b>(625)</b>	<b>(15,160)</b>	<b>(25,365)</b>	<b>(177)</b>	<b>33,547</b>	<b>349,935</b>	<b>(27,761)</b>	<b>314,394</b>	<b>3,102,425</b>	<b>(360,439)</b>	<b>3,056,380</b>	<b>(1,462,741)</b>
<b>Transfers - Interfund &amp; Interentity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,018</b>	<b>(461,018)</b>	<b>300,000</b>	<b>-</b>	<b>-</b>
<b>Total Changes in Net Assets</b>	<b>(625)</b>	<b>(15,160)</b>	<b>(25,365)</b>	<b>(177)</b>	<b>33,547</b>	<b>349,935</b>	<b>(27,761)</b>	<b>475,412</b>	<b>2,641,407</b>	<b>(60,439)</b>	<b>3,056,380</b>	<b>(1,462,741)</b>
<b>Net Assets at Beginning of Year</b>	<b>242,092</b>	<b>15,160</b>	<b>41,000</b>	<b>-</b>	<b>-</b>	<b>2,712,280</b>	<b>27,761</b>	<b>3,038,293</b>	<b>17,804,873</b>	<b>2,466,803</b>	<b>23,309,969</b>	<b>24,772,710</b>
<b>Net Assets at End of Year</b>	<b>\$ 241,467</b>	<b>\$ -</b>	<b>\$ 15,635</b>	<b>\$ (177)</b>	<b>\$ 33,547</b>	<b>\$ 3,062,215</b>	<b>\$ -</b>	<b>3,513,705</b>	<b>\$ 20,446,280</b>	<b>\$ 2,406,364</b>	<b>\$ 26,366,350</b>	<b>\$ 23,309,969</b>

**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Federal Grantor</u>	<u>Pass-Through Grantor</u>	<u>Pass-Through ID No.</u>	<u>Program Title</u>	<u>CFDA No. or Public Law No.</u>	<u>Contract No.</u>	<u>Expenditures</u>
Legal Services Corporation	None	None	Basic Field	09.610040	610040	\$ 3,731,958
			Probono Innovation Fund	09.610040	610040	138,714
			Disaster Relief-2017 Hurricanes and CA Wildfires	09.610040	610040	541,292
	None	None	Technology Initiative	09.610040	610040	88,308
	None	None	Rural Summer Fellowship	09.610040	610040	5,000
						<u>4,505,272</u>
<b>Aging Cluster:</b>						
U.S. Department of Health & Human Services	State of Florida Dept. of Children & Family Services (Alliance For Aging, Inc.)	AA-1814	Special Program for the Aging-Title III, Part	93.044	AA-1814	168,000
			National Family Caregiver Support, Title III	93.052		117,900
	Miami Dade County, Florida	H89HA00005	HIV Emergency Relief Project Grant	93.914 93.914	R-1072-12 & R-836-16 R-1072-12 & R-836-16	106,288 (6,362)
					<u>385,826</u>	
U.S. Department of Veteran Affairs	The Advocate Program	12-FL-024	Supportive Services for Veteran Families	64.033	N/A	16,875
		12-FL-024	Supportive Services for Veteran Families	64.033	N/A	104,413
					<u>121,288</u>	
Department of the Treasury / Internal Revenue Service	None	None	Low-Income Taxpayer Clinics	21.008	18-LITC0224-03-01	<u>100,000</u>
U.S. Department of Labor	Gang Alternative	YF-30752-17-60-A-12	Department of Labor Re-entry Project	17.270	N/A	7,568
	Gang Alternative	YF-30752-17-60-A-12	Department of Labor Adult Re-entry Project	17.270	N/A	831
	Opportunities Industrialization Center of South Florida	PE-30782-17-60-A-12	Miami-Dade Adult Re-entry Project	17.270	N/A	4,860
	Opportunities Industrialization Center of South Florida	YF-29327-16-60-A-42	The SOAR Project	17.270	N/A	80
					<u>13,339</u>	
<b>TOTAL</b>						<u>\$ 5,125,724</u>

See accompanying notes to Schedule of Expenditures of Federal Awards



**LEGAL SERVICES OF GREATER MIAMI, INC. AND SUBSIDIARIES  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE  
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

- Note 1**      **Reporting Entity**  
The reporting entity for the purposes of the accompanying schedule is Legal Services of Greater Miami, Inc.
- Note 2**      **Basis of Presentation and Accounting**  
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Legal Services and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of The Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.
- Note 3**      **Indirect Cost Rate**  
Legal Services elected not to use the 10% de minimus indirect cost rate.

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**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***

*Independent Auditor's Report*

Board of Directors  
Legal Services of Greater Miami, Inc.

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 consolidated financial statements of Legal Services of Greater Miami, Inc., and its subsidiaries which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 20, 2020.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Miami, Florida  
April 20, 2020

*BCA Watson Rice LLP*

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

*Independent Auditor's Report*

Board of Directors  
Legal Services of Greater Miami, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited the Legal Services of Greater Miami, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Legal Services of Greater Miami, Inc.'s major federal programs for the year ended December 31, 2019. Legal Services of Greater Miami, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

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

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

*Opinion on Each Major Federal Program*

In our opinion, Legal Services of Greater Miami, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## Report on Internal Control over Compliance

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

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

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

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

Miami, Florida  
April 16, 2020

*BCA Watson Rice LLP*

**LEGAL SERVICES OF GREATER MIAMI, INC**  
**DECEMBER 31, 2019**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Section I: Summary of Auditor's Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

*Federal Awards*

Internal control over major federal programs:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Type of auditor's report issued on compliance for major federal programs :	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No
Identification of major federal programs:		
CFDA Number(s)	Name of Federal Program or Cluster	
09.610040	Legal Services Corporation	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	_X_ Yes*	___ No
<i>*Tested as HIGH RISK per Legal Services Corporation grantor requirements</i>		

**LEGAL SERVICES OF GREATER MIAMI, INC**  
**DECEMBER 31, 2019**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Section II: Financial Statement Findings**

None.

**Section III: Federal Awards Findings**

None.

**LEGAL SERVICES OF GREATER MIAMI, INC  
DECEMBER 31, 2019**

**SUMMARY OF PRIOR YEAR FINDINGS**

**Finding 2018-001:**

Case file did not meet income restriction requirements

**Current Year Status:**

Finding not noted in the current year.