

LEGAL AID SERVICES  
OF OKLAHOMA, INC.



financial  
training

June 2006

*With each refinement in the process of collecting information, the value from the use of this information will inevitably grow. Those leaders best able to sift quickly through the vast debris of data will be winners. Those who keep wanting more data for its own sake will be paralyzed.*

Coach Bill Walsh

San Francisco 49ers

# 4 Stages of Learning

- Unconscious Incompetence – We don't know what we don't know. *Not aware of the existence of information that would assist us.*
- Conscious Incompetence – We know that we don't know. *Aware of information but unable to understand what it's saying.*
- Conscious Competence – We work at what we don't know. *Make an effort to learn how to interpret and understand reports.*
- Unconscious Competence – We don't have to think about knowing it. *We are able to read and understand financial information automatically.*

# Agenda

Legal Aid Services of Oklahoma, Inc. provides legal services to eligible individuals statewide.

This presentation provides an overview of our financial statements.



Responsibility



Accounting  
Concepts



Review 2005  
Audited Financial  
Statements



Net Assets



Analysis Tools

# Responsibility

# Board of Directors

- Broad responsibilities for direction of business affairs
- Responsibility for the quality of the financial reporting that communicates the results of stewardship to funders and the financial community
- Directors have been held liable for failure to discharge their responsibilities for financial reporting
- Directors and auditors are “watch dogs” of financial reporting

# “Yes” should always be the answer

- Sound Financial Management System
- Appropriate accounting and reporting system
- Adequate internal controls
- Appropriate budgeting
- Concurrence with Strategic Planning
- Self-sufficient programs
- Justifiable expenses
- Adequate income diversification
- Reliability of core revenues
- Minimal budget variances
- Adequate working capital and reserves

# Financial Controls Toolkit

- Accounting Manual
- Chart of Accounts
- Segregation of Duties
- Budget
- Review Financials
- Audit

# Segregation of Duties

The person responsible for the physical custody of an asset should not be the person recording the accounting entries with respect to that asset, and neither of those individuals should be responsible for initiating the transaction or authorizing the use of the asset, or for acquiring or disposing of it.

# Budgets

- Future plan of action expressed in monetary terms
- A tool to set realistic goals through resource allocation
- A means of monitoring the financial progress of an organization

# Future Budget Work

- Identify Priorities and Core Program Focus Areas
- Determine objectives and activities for the upcoming year
- Compile income/expenses by Program or Function
- Contingency Plan – written plan of action to implement in event of shortfall of resources – must include benchmarks (i.e. raise \$20,000 by December, if not, new staff will not be hired)

# Accounting

# Methods of Accounting

- **Cash Basis:** There are no accounts receivable or accounts payable.
- **Matching Principle:** Expenses incurred to produce revenue must be matched together in the same accounting period.
- **Accrual Basis:** Revenue or expenses are assigned to the proper period (even if cash has not yet been paid).

# Types of Costs

- Product Costs
- Fixed Period Costs
- Variable Period Costs

# Financial Statements

# FASB 117 Financial Statements for Not-for-Profit Organizations

Requires uniform format

Requires basic statements:

1. Statement of Financial Position (Balance Sheet)
2. Statement of Activities (Income/Expense Statement)
3. Statement of Cash Flows
4. Statement of Functional Expenses (for social service agencies)

Requires grouping:

1. Unrestricted
2. Temporarily Restricted : Donor requires \$\$ to be used for a specific purpose or for a future time period.
3. Permanently Restricted: Assets are kept permanently, but can use the income generated from the donated asset

# Statement of Financial Position

*aka Balance Sheet*

Presents financial position at one  
given point in time.

# Financial Position Formula

Old “Balance Sheet”

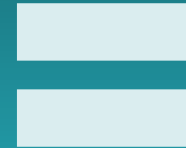
**Assets**

What you have



**Liabilities**

What you owe



**Net  
Assets**

(Equity)

# Cash

## 30 bank accounts!

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STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,275,570	\$ 420,548	\$ 0	\$ 1,696,118
Grants Receivable	470,164	40,089	0	510,253
Other Receivables	0	756	0	756
Unconditional Promises to Give	30,619	40,865	0	71,484
Allowance for Uncollectible Promises	(11,963)	0	0	(11,963)
Prepaid Expenses	0	79,632	0	79,632
Total Current Assets	1,764,390	581,890	0	2,346,280
Property (Note 3):				
Land	0	6,500	0	6,500
Buildings & Improvements	0	87,676	0	87,676
Furniture	0	11,429	0	11,429
Equipment	146,259	88,839	0	235,098
Software	37,527	4,225	0	41,752
Less: Accumulated Depreciation	(131,766)	(120,754)	0	(252,520)
Total Property	52,020	77,915	0	129,935
Other Assets:				
Endowment Fund (Note 6)	0	0	6,077	6,077
Unconditional Promises to Give	29,295	0	0	29,295
Total Other Assets	29,295	0	6,077	35,372
<b>TOTAL ASSETS</b>	<b>\$ 1,845,705</b>	<b>\$ 659,805</b>	<b>\$ 6,077</b>	<b>\$ 2,511,587</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts Payable	\$ 18,641	\$ 24,574	\$ 0	\$ 43,215
Other Payable	38,687	1	0	38,688
Client Trust Payable	0	12,316	0	12,316
Due to Grantor	0	2,962	0	2,962
Accrued Salaries and Benefits	121,077	0	0	121,077
Deferred Revenue	2,204	29,853	0	32,057
Accrued Vacation	326,242	0	0	326,242
Total Current Liabilities	506,851	69,706	0	576,557
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Net Assets:				
Unrestricted	1,338,854	0	0	1,338,854
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- Operating Account: funds invested in treasury fund. "Sweep" account nightly.
- Each office has client trust account and imprest account
- Payroll Account
- Operating II – 3<sup>rd</sup> party Cafeteria Plan Administration

# Unconditional Promises to Pay

## Pledges Receivable

- Promise of "all" future contributions is recorded as revenue when promise is received
- Current (\$71,484) to be received within 1 year
- Other (\$29,295) 1-3 years
- 12% of Receivable is set aside in "Allowance for uncollectible Pledges"

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# Prepaid Expenses

- Insurance Policies
- Postage
- Rent
- Pikepass

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# Endowment Fund

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## Beneficial Interest OKC Community Foundation

Money that LAWO gave to Community  
Foundation for a permanent endowment

Community Foundations  
have legal ownership and  
variance power over the  
funds. Not Reflected is  
\$37,513 in OKC and  
\$77,098 in Tulsa that  
contributors have  
donated in our name.

# Property

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- New Capitalization threshold is \$5,000
- Land & Building is our Poteau office
- Furniture and some equipment were capitalized under old threshold and will remain until completely depreciated

# Grants Receivable, Due to Grantor & Deferred Revenue

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- Grants Receivable: Earned but not yet received
- Due to Grantor: Funds unused at the time the grant terminated
- Deferred Revenue: Money received in advance of providing services

# Liabilities

A claim of the assets by an outsider. A financial obligation.

- Accounts Payable: Owed to vendor for goods or services.
- Accrued Vacation: Benefit owed to employees either in time off or in payment upon termination of employment.

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# Statement of Activities

*aka Income Statement*

Summarizes financial activity for a given period of time.

# FASB 116 Accounting for Contributions

An unconditional promise to make a contribution is revenue in the year the promise is received (Example: Three year pledge to contribute \$1,000 a year).

Contributions classified as “restricted” or “unrestricted”.

Contributed Services. If contributed by persons with skills which would have been purchased is not provided by donation.

# "Support" Income

Income from voluntary contributions and grants.

Classified as either:

- **Direct:** Fundraising donations and IOLTA
- **Indirect:** Donation passes through an intermediary agency before it is received by the agency (ex. United Way).

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted			Permanently Restricted	Total
		LSC	NON-LSC	Total		
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Government Grant Revenue	\$ 0	\$ 4,137,493	\$ 524,487	\$ 4,661,980	\$ 0	\$ 4,661,980
Private Grant Revenue	150,000	0	52,169	52,169	0	202,169
Contract Revenue	1,418,739	0	0	0	0	1,418,739
United Way Contributions	0	0	386,955	386,955	0	386,955
Miscellaneous Income	170,884	25	240,876	240,903	0	411,787
Interest Income	0	585	48	633	99	732
Donated Services	0	57,240	0	57,240	0	57,240
	723,500	0	0	0	0	723,500
Total Revenue and Gains	2,463,123	4,195,343	1,204,537	5,399,880	99	7,863,102
Net Assets Released From Restrictions:						
Satisfaction of Program Requirements	5,576,528	(4,472,319)	(1,104,209)	(5,576,528)	0	0
Total Revenues, Gains and Other Support	8,039,651	(276,976)	100,328	(176,648)	99	7,863,102
<b>EXPENSES</b>						
Civil Legal Services	5,731,317	0	0	0	0	5,731,317
Municipal Legal Services	409,390	0	0	0	0	409,390
Management and General	1,086,955	0	0	0	0	1,086,955
Fund Raising	162,690	0	0	0	0	162,690
Donated Services	723,500	0	0	0	0	723,500
Total Expenses	8,113,852	0	0	0	0	8,113,852
Change in Net Assets	(74,201)	(276,976)	100,328	(176,648)	99	(250,750)
Net Assets, Beginning of Year	1,407,827	758,184	13,791	771,975	5,978	2,185,780
Transfers	5,228	7,537	(12,765)	(5,228)	0	0
Gain/Loss on Disposal of Property	0	0	0	0	0	0
NET ASSETS, END OF YEAR	\$ 1,338,854	\$ 488,745	\$ 101,354	\$ 590,099	\$ 6,077	\$ 1,935,030

# Government Grant Income

Generally an exchange transaction (fee for service revenue) and not a contribution.

Examples: Title III,  
HUD, LSC

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES  
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NET ASSETS, END OF YEAR	\$ 1,338,854	\$ 488,745	\$ 101,354	\$ 590,099	\$ 6,077	\$ 1,935,030

# "Revenue" Income

## Contracts

Income from services performed or goods sold.

## Examples:

- Public Defender Contract
- DAP TANF Contract
- Oklahoma State Revolving Fund
- LSC Technology Grants

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted			Permanently Restricted	Total
		LSC	NON-LSC	Total		
<u>REVENUES, GAINS AND</u>						
<u>OTHER SUPPORT</u>						
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Private Grant Revenue	150,000	0	52,169	202,169	0	202,169
Contract Revenue	1,418,739	0	0	0	0	1,418,739
United Way	0	0	386,955	386,955	0	386,955
Contributions	170,884	25	240,876	240,903	0	411,787
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Total Revenues, Gains and Other Support	8,039,651	(276,976)	100,328	(176,648)	99	7,863,102
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Civil Legal Services	5,731,317	0	0	0	0	5,731,317
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Net Assets, Beginning of Year	1,407,827	758,184	13,791	771,975	5,978	2,185,780
Transfers	5,228	7,537	(12,765)	(5,228)	0	0
Gain/Loss on Disposal of Property	0	0	0	0	0	0
NET ASSETS, END OF YEAR	\$ 1,338,854	\$ 488,745	\$ 101,354	\$ 590,099	\$ 6,077	\$ 1,935,030

# Statement of Cash Flows

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2005

### Cash Flows From Operating Activities:

Change in Net Assets \$ (250,750)

Adjustments to Reconcile the Change in Net Assets to Cash

Provided by (used for) Operating Activities:

Depreciation	62,165
(Increase) Decrease in Receivables	72,042
(Increase) Decrease in Prepaid Expenses	(8,059)
Increase (Decrease) in Payables	(12,160)
Increase (Decrease) in Client Trust Liabilities	(6,070)
Increase (Decrease) in Due to Grantor	2,962
Increase (Decrease) in Accrued Payroll and Benefits	(3,411)
Increase (Decrease) in Deferred Revenue	(137,762)
Increase (Decrease) in Accrued Vacation	18,311
(Increase) Decrease in Endowment Fund	(99)

Net Cash Provided (Used) by Operating Activities (262,831)

### Cash Flows From Investing Activities:

Purchase of Fixed Assets (21,425)

Net Cash Provided (Used) by Investing Activities (21,425)

### Cash Flows From Financing Activities:

Net Increase (Decrease) in Cash (284,256)

Cash, Beginning of Year 1,980,374

CASH, END OF YEAR \$ 1,696,118

- Change in Total Assets (13.9%)
- Change in Total Liabilities (23.9%)
- Change in Net Assets (11.5 %)
- Change in Total Income .042%
- Change in Total Expenditures .07%

Per 2004 and 2005 audit

# Statement of Functional Expenses

## *Expense Ratios*

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2005

EXPENSES	Civil Legal Services	Municipal Legal Services	General and Adminis- trative	Fund Raising	Total
Salaries	\$ 3,619,484	\$ 303,182	\$ 501,030	\$ 77,668	\$ 4,501,364
Fringe Benefits	1,032,524	73,864	128,738	20,718	1,255,844
Occupancy	351,190	21,308	31,140	10,256	413,894
Office Expense	143,721	5,390	88,983	35,346	273,440
Telephone	113,988	325	7,860	2,779	124,952
Travel	124,247	0	10,405	2,642	137,294
Litigation	15,926	108	0	0	16,034
Training	57,138	189	20,187	5,086	82,600
Library	87,730	3,135	4,860	4,775	100,500
Dues and Fees	21,157	455	18,935	589	41,136
Insurance	0	0	34,034	0	34,034
Professional Services	250	0	22,846	0	23,096
Private Contract Attorneys	26,435	0	0	0	26,435
Equipment	53,545	0	28,237	70	81,852
Equipment Maintenance	83,982	1,434	127,535	2,761	215,712
Depreciation Expense	0	0	62,165	0	62,165
Donated Services	723,500	0	0	0	723,500
<b>TOTAL EXPENSES</b>	<b>\$ 6,454,817</b>	<b>\$ 409,390</b>	<b>\$ 1,086,955</b>	<b>\$ 162,690</b>	<b>\$ 8,113,852</b>

- Salaries 56%
- Benefits 16%
- Donated Services, Contract Attorneys 9%
- Occupancy, Office, Telephone 10%
- Equipment 4%
- Training, Library, Insurance, Dues, Professional Services 3%
- Travel, Litigation 2%

Per 2005 audit

# Net Assets

*Aka Fund Balance*

# Net Assets - What is it?



- Only a new nonprofit will have "0"
- Each year the Statement of Activities accumulates revenue and expenses
- At end of year it is deposited to (withdrawn from) the beginning balance

# Net Assets

## LEGAL AID SERVICES OF OKLAHOMA, INC. Oklahoma City, Oklahoma

### STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 1,275,570	\$ 420,548	\$ 0	\$ 1,696,118
Grants Receivable	470,164	40,089	0	510,253
Other Receivables	0	756	0	756
Unconditional Promises to Give	30,619	40,865	0	71,484
Allowance for Uncollectible Promises	(11,963)	0	0	(11,963)
Prepaid Expenses	0	79,632	0	79,632
Total Current Assets	1,764,390	581,890	0	2,346,280
<b>Property (Note 3):</b>				
Land	0	6,500	0	6,500
Buildings & Improvements	0	87,676	0	87,676
Furniture	0	11,429	0	11,429
Equipment	146,259	88,839	0	235,098
Software	37,527	4,225	0	41,752
Less: Accumulated Depreciation	(131,766)	(120,754)	0	(252,520)
Total Property	52,020	77,915	0	129,935
<b>Other Assets:</b>				
Endowment Fund (Note 6)	0	0	6,077	6,077
Unconditional Promises to Give	29,295	0	0	29,295
Total Other Assets	29,295	0	6,077	35,372
<b>TOTAL ASSETS</b>	<b>\$ 1,845,705</b>	<b>\$ 659,805</b>	<b>\$ 6,077</b>	<b>\$ 2,511,587</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 18,641	\$ 24,574	\$ 0	\$ 43,215
Other Payable	38,687	1	0	38,688
Client Trust Payable	0	12,316	0	12,316
Due to Grantor	0	2,962	0	2,962
Accrued Salaries and Benefits	121,077	0	0	121,077
Deferred Revenue	2,204	29,853	0	32,057
Accrued Vacation	326,242	0	0	326,242
Total Current Liabilities	506,851	69,706	0	576,557
Total Liabilities	506,851	69,706	0	576,557
<b>Net Assets:</b>				
Unrestricted	1,338,854	0	0	1,338,854
Temporarily Restricted:				
Legal Services Corporation	0	488,745	0	488,745
Non-LSC	0	101,354	0	101,354
Permanently Restricted	0	0	6,077	6,077
Total Net Assets	1,338,854	590,099	6,077	1,935,030
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,845,705</b>	<b>\$ 659,805</b>	<b>\$ 6,077</b>	<b>\$ 2,511,587</b>

## LEGAL AID SERVICES OF OKLAHOMA, INC. Oklahoma City, Oklahoma

### STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
		LSC	NON-LSC	
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Government Grant Revenue	\$ 0	\$ 4,137,493	\$ 524,487	\$ 4,661,980
Private Grant Revenue	150,000	0	52,169	202,169
Contract Revenue	1,418,739	0	0	1,418,739
United Way	0	0	386,955	386,955
Contributions	170,884	25	240,878	411,787
Miscellaneous Income	0	585	48	633
Interest Income	0	57,240	0	57,240
Donated Services	723,500	0	0	723,500
Total Revenue and Gains	2,463,123	4,195,343	1,204,537	5,399,880
Net Assets Released From Restrictions:				
Satisfaction of Program Requirements	5,576,528	(4,472,319)	(1,104,209)	(5,576,528)
Total Revenues, Gains and Other Support	8,039,651	(276,976)	100,328	(176,648)
<b>EXPENSES</b>				
Civil Legal Services	5,731,317	0	0	5,731,317
Municipal Legal Services	409,390	0	0	409,390
Management and General	1,086,955	0	0	1,086,955
Fund Raising	162,690	0	0	162,690
Donated Services	723,500	0	0	723,500
Total Expenses	8,113,852	0	0	8,113,852
Change in Net Assets	(74,201)	(276,976)	100,328	(176,648)
Net Assets, Beginning of Year	1,407,827	758,184	13,791	2,185,780
Transfers	5,228	7,537	(12,765)	0
Gain/Loss on Disposal of Property	0	0	0	0
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,338,854</b>	<b>\$ 488,745</b>	<b>\$ 101,354</b>	<b>\$ 1,935,030</b>

# Operating and Capital Reserves *aka Board Restricted Net Assets*

Those dollars accumulated over time  
*"intentionally"* set aside by the board for the  
purpose of ensuring long-term financial stability.

- Used to meet unanticipated contingencies, including major funding cutbacks or major property acquisition.
- Access restricted by board policy requiring board action.

# How much is enough?

What would you need to close down your organization with dignity?

- Satisfaction of performance requirements with donors.
- Legal and notification requirements.
- Transfer of clients.
- Notification to staff, severance pay, opportunity to secure alternative employment.

# Analysis

Is the organization financially  
healthy?

# Working capital

(current assets – current liabilities)

**\$1,769,723**

## LEGAL AID SERVICES OF OKLAHOMA, INC. Oklahoma City, Oklahoma

### STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 1,275,570	\$ 420,548	\$ 0	\$ 1,696,118
Grants Receivable	470,164	40,089	0	510,253
Other Receivables	0	756	0	756
Unconditional Promises to Give	30,619	40,865	0	71,484
Allowance for Uncollectible Promises	(11,963)	0	0	(11,963)
Prepaid Expenses	0	79,632	0	79,632
<b>Total Current Assets</b>	<b>1,764,390</b>	<b>581,890</b>	<b>0</b>	<b>2,346,280</b>
<b>Property (Note 3):</b>				
Land	0	6,500	0	6,500
Buildings & Improvements	0	87,676	0	87,676
Furniture	0	11,429	0	11,429
Equipment	146,259	88,839	0	235,098
Software	37,527	4,225	0	41,752
Less: Accumulated Depreciation	(131,766)	(120,754)	0	(252,520)
<b>Total Property</b>	<b>52,020</b>	<b>77,915</b>	<b>0</b>	<b>129,935</b>
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Endowment Fund (Note 6)	0	0	6,077	6,077
Unconditional Promises to Give	29,295	0	0	29,295
<b>Total Other Assets</b>	<b>29,295</b>	<b>0</b>	<b>6,077</b>	<b>35,372</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,845,705</b>	<b>\$ 659,805</b>	<b>\$ 6,077</b>	<b>\$ 2,511,587</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 18,641	\$ 24,574	\$ 0	\$ 43,215
Other Payable	38,687	1	0	38,688
Client Trust Payable	0	12,316	0	12,316
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Accrued Salaries and Benefits	121,077	0	0	121,077
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Accrued Vacation	326,242	0	0	326,242
<b>Total Current Liabilities</b>	<b>506,851</b>	<b>69,706</b>	<b>0</b>	<b>576,557</b>
<b>Total Liabilities</b>	<b>506,851</b>	<b>69,706</b>	<b>0</b>	<b>576,557</b>
<b>Net Assets:</b>				
Unrestricted	1,338,854	0	0	1,338,854
Temporarily Restricted:				
Legal Services Corporation	0	488,745	0	488,745
Non-LSC	0	101,354	0	101,354
Permanently Restricted	0	0	6,077	6,077
<b>Total Net Assets</b>	<b>1,338,854</b>	<b>590,099</b>	<b>6,077</b>	<b>1,935,030</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,845,705</b>	<b>\$ 659,805</b>	<b>\$ 6,077</b>	<b>\$ 2,511,587</b>

**Liquidity ratio** (number of days of operating expenses covered by working capital ... absolute minimum should be 30 days, may be up to 180 days)

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

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Less: Accumulated Depreciation	(131,766)	(120,754)	0	(252,520)
Total Property	52,020	77,915	0	129,935

Working Capital \$1,769,723 / \$22,230 a day = 79.6 days

<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
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LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

	Unrestricted	LSC	Temporarily Restricted NON-LSC	Total	Permanently Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
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Private Grant Revenue	150,000	0	52,169	52,169	0	202,169
Contract Revenue	1,418,739	0	0	0	0	1,418,739

Total Expenses \$8,113,852 / 365 days = \$22,230 a day

Total Revenue and Gains	2,403,123	4,190,343	1,204,337	5,399,800	99	7,863,102
<b>Net Assets Released From Restrictions:</b>						
Satisfaction of Program Requirements	5,576,528	(4,472,319)	(1,104,209)	(5,576,528)	0	0
Total Revenues, Gains and Other Support	8,039,651	(276,976)	100,328	(176,648)	99	7,863,102
<b>EXPENSES</b>						
Civil Legal Services	5,731,317	0	0	0	0	5,731,317
Municipal Legal Services	409,390	0	0	0	0	409,390
Management and General	1,086,955	0	0	0	0	1,086,955
Fund Raising	162,690	0	0	0	0	162,690
Donated Services	723,500	0	0	0	0	723,500
Total Expenses	8,113,852	0	0	0	0	8,113,852
Change in Net Assets	(74,201)	(276,976)	100,328	(176,648)	99	(250,750)
<b>Net Assets, Beginning of Year</b>						
Transfers	1,407,827	758,184	13,791	771,975	5,978	2,185,780
Gain/Loss on Disposal of Property	5,228	7,537	(12,765)	(5,228)	0	0
	0	0	0	0	0	0
<b>NET ASSETS, END OF YEAR</b>						
	\$ 1,338,854	\$ 488,745	\$ 101,354	\$ 590,099	\$ 6,077	\$ 1,935,030

# Current Ratio (ability to pay debts with available resources)

Current assets /  
current liabilities)  
4.07

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,275,570	\$ 420,548	\$ 0	\$ 1,696,118
Grants Receivable	470,164	40,089	0	510,253
Other Receivables	0	756	0	756
Unconditional Promises to Give	30,619	40,865	0	71,484
Allowance for Uncollectible Promises	(11,963)	0	0	(11,963)
Prepaid Expenses	0	79,632	0	79,632
<b>Total Current Assets</b>	<b>1,764,390</b>	<b>581,890</b>	<b>0</b>	<b>2,346,280</b>
Property (Note 3):				
Land	0	6,500	0	6,500
Buildings & Improvements	0	87,676	0	87,676
Furniture	0	11,429	0	11,429
Equipment	146,259	88,839	0	235,098
Software	37,527	4,225	0	41,752
Less: Accumulated Depreciation	(131,766)	(120,754)	0	(252,520)
<b>Total Property</b>	<b>52,020</b>	<b>77,915</b>	<b>0</b>	<b>129,935</b>
Other Assets:				
Endowment Fund (Note 6)	0	0	6,077	6,077
Unconditional Promises to Give	29,295	0	0	29,295
<b>Total Other Assets</b>	<b>29,295</b>	<b>0</b>	<b>6,077</b>	<b>35,372</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,845,705</b>	<b>\$ 659,805</b>	<b>\$ 6,077</b>	<b>\$ 2,511,587</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts Payable	\$ 18,641	\$ 24,574	\$ 0	\$ 43,215
Other Payable	38,687	1	0	38,688
Client Trust Payable	0	12,316	0	12,316
Due to Grantor	0	2,962	0	2,962
Accrued Salaries and Benefits	121,077	0	0	121,077
Deferred Revenue	2,204	29,853	0	32,057
Accrued Vacation	326,242	0	0	326,242
<b>Total Current Liabilities</b>	<b>506,851</b>	<b>69,706</b>	<b>0</b>	<b>576,557</b>
<b>Total Liabilities</b>	<b>506,851</b>	<b>69,706</b>	<b>0</b>	<b>576,557</b>
Net Assets:				
Unrestricted	1,338,854	0	0	1,338,854
Temporarily Restricted:				
Legal Services Corporation	0	488,745	0	488,745
Non-LSC	0	101,354	0	101,354
Permanently Restricted	0	0	6,077	6,077
<b>Total Net Assets</b>	<b>1,338,854</b>	<b>590,099</b>	<b>6,077</b>	<b>1,935,030</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,845,705</b>	<b>\$ 659,805</b>	<b>\$ 6,077</b>	<b>\$ 2,511,587</b>

# Availability of Cash (how much of incoming revenues are cash.. Should be greater than 10%)

## LEGAL AID SERVICES OF OKLAHOMA, INC. Oklahoma City, Oklahoma

### STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 1,275,570	\$ 420,548	\$ 0	\$ 1,696,118
Grants Receivable	470,164	40,089	0	510,253
Other Receivables	0	756	0	756
Unconditional Promises to Give	30,619	40,865	0	71,484
Allowance for Uncollectible Promises	(11,963)	0	0	(11,963)
Prepaid Expenses	0	79,632	0	79,632
Total Current Assets	1,764,390	581,890	0	2,346,280
<b>Property (Note 3):</b>				
Land	0	6,500	0	6,500
Buildings & Improvements	0	87,676	0	87,676
Furniture	0	11,429	0	11,429
Equipment	146,259	88,839	0	235,098
Software	37,527	4,225	0	41,752
Less: Accumulated Depreciation	(131,766)	(120,754)	0	(252,520)
Total Property	52,020	77,915	0	129,935

Cash/Total Revenues = 21.6

TOTAL ASSETS \$ 1,845,705 \$ 659,805 \$ 6,077 \$ 2,511,587

### LIABILITIES AND NET ASSETS

<b>Current Liabilities:</b>				
Accounts Payable	\$ 18,641	\$ 24,574	\$ 0	\$ 43,215
Other Payable	38,687	1	0	38,688
Client Trust Payable	0	12,316	0	12,316
Due to Grantor	0	2,962	0	2,962
Accrued Salaries and Benefits	121,077	0	0	121,077
Deferred Revenue	2,204	29,853	0	32,057
Accrued Vacation	326,242	0	0	326,242
Total Current Liabilities	506,851	69,706	0	576,557
Total Liabilities	506,851	69,706	0	576,557
<b>Net Assets:</b>				
Unrestricted	1,338,854	0	0	1,338,854
Temporarily Restricted:				
Legal Services Corporation	0	488,745	0	488,745
Non-LSC	0	101,354	0	101,354
Permanently Restricted	0	0	6,077	6,077
Total Net Assets	1,338,854	590,099	6,077	1,935,030

TOTAL LIABILITIES AND NET ASSETS \$ 1,845,705 \$ 659,805 \$ 6,077 \$ 2,511,587

## LEGAL AID SERVICES OF OKLAHOMA, INC. Oklahoma City, Oklahoma

### STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

	Unrestricted	LSC	Temporarily Restricted NON-LSC	Total	Permanently Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Government Grant Revenue	\$ 0	\$ 4,137,493	\$ 524,487	\$ 4,661,980	\$ 0	\$ 4,661,980
Private Grant Revenue	150,000	0	52,169	52,169	0	202,169
Contract Revenue	1,418,739	0	0	0	0	1,418,739
United Way	0	0	386,955	386,955	0	386,955
Contributions	170,884	25	240,878	240,903	0	411,787
Miscellaneous Income	0	585	48	633	99	732
Interest Income	0	57,240	0	57,240	0	57,240
Donated Services	723,500	0	0	0	0	723,500
Total Revenue and Gains	2,463,123	4,195,343	1,204,537	5,398,880	99	7,863,102
Net Assets Released From Restrictions:						
Satisfaction of Program Requirements	5,578,528	(4,472,319)	(1,104,209)	(5,576,528)	0	0
Total Revenues, Gains and Other Support	8,039,651	(276,976)	100,328	(176,648)	99	7,863,102

### EXPENSES

Civil Legal Services	5,731,317	0	0	0	0	5,731,317
Municipal Legal Services	409,390	0	0	0	0	409,390
Management and General	1,086,955	0	0	0	0	1,086,955
Fund Raising	162,690	0	0	0	0	162,690
Donated Services	723,500	0	0	0	0	723,500
Total Expenses	8,113,852	0	0	0	0	8,113,852

Change in Net Assets (74,201) (276,976) 100,328 (176,648) 99 (250,750)

### Net Assets, Beginning

of Year	1,407,827	758,184	13,791	771,975	5,978	2,185,780
Transfers	5,228	7,537	(12,765)	(5,228)	0	0
Gain/Loss on Disposal of Property	0	0	0	0	0	0

### NET ASSETS,

END OF YEAR \$ 1,338,854 \$ 488,745 \$ 101,354 \$ 590,099 \$ 6,077 \$ 1,935,030

# Revenue by Source (economic vulnerability)

- Government Grants 59%
- Contract Revenue 18%
- Donated Services 9%
- Contributions 5%
- United Way 5%
- Private Grants 3%
- Interest Income 1%

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted		Temporarily Restricted	Permanently Restricted	
		LSC	NON-LSC	Total		Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
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Private Grant Revenue	150,000	0	52,169	52,169	0	202,169
Contract Revenue	1,418,739	0	0	0	0	1,418,739
United Way	0	0	386,955	386,955	0	386,955
Contributions	170,884	25	240,876	240,903	0	411,787
Miscellaneous Income	0	585	48	633	99	732
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<b>EXPENSES</b>						
Civil Legal Services	5,731,317	0	0	0	0	5,731,317
Municipal Legal Services	409,390	0	0	0	0	409,390
Management and General	1,086,955	0	0	0	0	1,086,955
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Donated Services	723,500	0	0	0	0	723,500
Total Expenses	8,113,852	0	0	0	0	8,113,852
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Transfers	5,228	7,537	(12,765)	(5,228)	0	0
Gain/Loss on Disposal of Property	0	0	0	0	0	0
NET ASSETS, END OF YEAR	\$ 1,338,854	\$ 488,745	\$ 101,354	\$ 590,099	\$ 6,077	\$ 1,935,030

# Function Classification

(The function representing the organizations highest mission priority should be receiving the highest portion of the agency's resources.

**Civil Legal Services 71%**

**Management & General 13%**

**Donated Services 9%**

**Public Defender Services 5%**

**Fund Raising 2%**

Rule of thumb ... at least 70% should be for program activities, Management between 7-15%, Fundraising 4-10%. Note – currently most of LASO's grant renewal work is performed by the Operations department.

LEGAL AID SERVICES OF OKLAHOMA, INC.  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted			Permanently Restricted	Total
		LSC	NON-LSC	Total		
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Government Grant Revenue	\$ 0	\$ 4,137,493	\$ 524,487	\$ 4,661,980	\$ 0	\$ 4,661,980
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Transfers	5,228	7,537	(12,765)	(5,228)	0	0
Gain/Loss on Disposal of Property	0	0	0	0	0	0
NET ASSETS, END OF YEAR	\$ 1,338,854	\$ 488,745	\$ 101,354	\$ 590,099	\$ 6,077	\$ 1,935,030

LEGAL AID SERVICES  
OF OKLAHOMA, INC.

