My accountant told me that the only reason why my business is looking up is that it's flat on it's back.

Accountants aren't boring people, we just get excited over boring things.

What's the definition of an accountant?

Someone who solves a problem you didn't know you had in a way you don't understand.

LEGAL AID SERVICES OF OKLAHOMA, INC.



financial matter support for directors

October 2007

Financial Information Everyone's needs are different

- Management Staff
- Donors
- Grantors
- Creditors
- Budget & Audit Committees
- Board of Directors

This program is for you!

Agenda

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

This presentation provides guidance to boards of directors to help them in fulfilling their financial oversight responsibilities. Responsibility





Review sample Audited Financial Statements



Net Assets



Tools

Responsibility

Responsible Financial Management

A method of operating that produces:

- Accurate and timely financial information
- Informed fiscal oversight
- Realistic financial planning
- Adequate working capital

"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

Board of Directors

- Set Policy
- Monitor management
- Advocate the mission of the organization

Regarding Financials:

- Have an Active Budget & Audit Committee
 - Approve Budget
- Look for reasonableness (common sense)
 - Ask questions!

1. Why Budget & Audit Committee?

- Concepts of accounting, internal controls, and reporting requirements can be very complex
- Efficiency demands a small group of directors able and willing to devote time to communicate with auditor and understand these concepts

Budget & Audit Committee - Tasks

- Recommend selection of auditor
- Review scope of the audit
- Review the results of the audit
- Make inquiries as to the adequacy of the company's accounting, financial, and operating controls via *new* Fraud Risk Assessment
- Review financial reports and make recommendations to the board regarding budgets and financial policy

Segregation of Duties

The person responsible for the physical custody of an asset should not be the person <u>recording</u> 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.

AICPA SAS # 99

- Thanks to Enron, Arthur Anderson, & Sarbanes-Oxley Act of 2002
- Auditor must obtain reasonable assurance that F/S are free of material misstatement (whether caused by error or fraud)
- Effective 10-15-2002
- Requires inquiries of management, staff, & board
- Resulted in LASO's Fraud Risk Assessment

AICPA SAS # 112 & SAS # 114

- Effective for 2007 audit
- Requires auditor to communicate internal control deficiencies to management and governance.
- Deficiency: When a control necessary to meet the control objective does not operate as designed, or person performing the control does not possess the necessary authority or qualification to perform the control effectively. Ranges from "deficiency" to "significant deficiencies", to "material weakness".

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

FASB 116 Accounting for Contributions

An unconditional promise to make a contribution is revenue in the year the promise is received (Example – 3 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.

2. Approve 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

3. What is Reasonable?

• Materiality = approximately $\frac{1}{2}$ %

Ex. For an annual budget of \$8M, materiality would be \$40,000

 Do numbers reflect other reports such as office openings, staffing/salary changes, etc.

Ex. Did rent go up because we opened the McAlester office? Did salaries go up because of the raise approved in last year's budget?

Accounting

Nonprofit vs. Profit

- Stewardship: Ultimate objective is to meet socially desirable need of the community.
- Cash/not Profit: Continue to exist only so long as sufficient cash to provide for their program
- Accountability: Separate accounting for resources
- Functional Accounting

LASO has 53 funding sources! & 22 function codes

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 or received, record what you owe others and what others owe you).

Types of Costs

- Direct Costs: <u>Identifiable</u> cost of producing services (salary & benefits, private attorney contracts, travel, litigation costs).
- Fixed Period Costs: <u>Allocable</u> (rent, utilities, telephone, supplies, insurance, audit costs, equipment maintenance/rental agreements)
- Variable/Discretionary: Asset purchases, training, promotional, printing, library

4 Ask Questions

Financial Statements

Statement of Financial Position

aka <u>Balance Sheet</u>

Presents financial position at one given point in time *"As of December 31,"*

Financial Position Formula Old "Balance Sheet"



Cash LASO has 30 bank accounts!

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

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

400570	-	Unrestricted	_	Temporarily Restricted	_	Permanently Restricted		Total	
ASSETS Current Assets:						_	_		
Cash and Cash Equivalents	\$	1,275,570 470,164	\$	420,548 40,089	\$	Ş	\$	1,696,118 510,253	>
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			
Less: Accumulated Depreciation		(131,766)		(120,754)		0		41,752	
Total Property	-	52.020		77.915		0		(252,520) 129,935	
Total Property		52,020	-	11,915	• •	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	
TOTAL ASSETS	\$_	1,845,705	\$	659,805	\$_	6,077	\$_	2,511,587	
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Accounts Payable	s	18.641	\$	24,574	¢	0	s	43,215	
Other Payable	\$	38,687	Φ	24,574	Э	0	\$	43,215 38,688	
Client Trust Payable		30,007		12.316		0		12,316	
Due to Grantor		0		2.962		0		2,962	
Accrued Salaries and Benefits		121.077		2,902		0		121,077	
Deferred Revenue		2,204		29.853		0		32,057	
Accrued Vacation		326,242		20,000		0		326,242	
Total Current Liabilities		506,851	~	69,706	-	0	-	576,557	
	_		-					0101001	
Total Liabilities	-	506,851		69,706	-	0	_	576,557	
Net Assets:									
Unrestricted		1,338,854		0		0		1,338,854	
Temporarily Restricted:		1,000,004		0		0		1,000,004	
Legal Services Corporation		0		488,745		0		488.745	
Non-LSC		ő		101,354		0		101,354	
Permanently Restricted		ő		01,354		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	

- Operating Account funds invested in treasury fund "Sweep" Account nightly
- Each office has client trust account and imprest account
- Payroll Account
- Operating II 3rd party Cafeteria Plan Administration

Unconditional Promises to Pay

LEGAL AID SERVICES OF OKLAHOMA, INC Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

ASSETS	-	Unrestricted		Temporarily Restricted		Permanently Restricted	_	Total	
Current Assets: Cash and Cash Equivalents	s	1,275,570	e	420,548	¢	0	\$	1,696,118	
Grants Receivable	φ	470.164	Ŷ	40,089	φ	0	Ŷ	510,253	
Other Receivables		0		756		Ő		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		ő		87.676		0		87,676	
Furniture		õ		11.429		ő		11,429	
Equipment		146,259		88,839		ő		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)						0.077		6.077	
Unconditional Promises to Give		0 29.295		0		6,077 0	~	29,295	-
Total Other Assets	-	29,295	-	0	-	6.077	9	29,295	\mathcal{I}
Total Other Assets		20,200		0	-	0,011	• •	00,012	
TOTAL ASSETS	\$_	1,845,705	\$_	659,805	\$_	6,077	\$	2,511,587	
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Accounts Payable	s	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	
Net Assets:									
Unrestricted		1,338,854		0		0		1,338,854	
Temporarily Restricted:		1,000,001		0		0		1,000,004	
Legal Services Corporation		0		488,745		0		488.745	
Non-LSC		0		101,354		Ő		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	

Pledges Receivable

 Promise of "all" future contributions is recorded as revenue when promise is received

For 2006:

- Current (\$31,244) to be received within 1 year
- Other (\$1,755) 1-3 years
- 6% of Receivable is set aside in "Allowance for uncollectible Pledges"

Prepaid Expenses

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

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

ASSETS	-	Unrestricted	-	Temporarily Restricted		Permanently Restricted	-	Total	
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	\mathcal{I}
Total Current Assets	-	1,764,390		581,890		0		2,346,280	
Property (Note 3):									
		0		6,500		0		6,500	
Buildings & Improvements Furniture		-		87,676				87,676	
		0		11,429		0		11,429	
Equipment Software		146,259		88,839		0		235,098	
		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		ŏ		0,077		29,295	
Total Other Assets	-	29,295		0	-	6,077		35,372	
	-	20,200	-	<u> </u>	-	0,011		00,012	
TOTAL ASSETS	\$_	1,845,705	\$_	659,805	\$_	6,077	\$	2,511,587	
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Accounts Payable	s	18.641	\$	24.574	\$	0	s	43.215	
Other Payable	+	38,687		1		0	Ŧ	38,688	
Client Trust Payable		0		12.316		0		12,316	
Due to Grantor		0		2,962		Ó		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	
Net Assets:									
Unrestricted		1,338,854		0		0		1 220 054	
Temporarily Restricted:		1,000,004		U		U		1,338,854	
Legal Services Corporation		0		488,745		0		400 746	
Non-LSC		0				0		488,745	
Permanently Restricted		0		101,354		0		101,354	
Total Net Assets			-	0 590,099	_	6,077	~	6,077	
I VIAI NEL ASSELS	_	1,338,854		590,099	_	6,077	-	1,935,030	
TOTAL LIABILITIES AND NET ASSETS									

- Insurance Policies
- Postage
- Rent
- Pikepass

Endowment Fund

LEGAL AID SERVICES OF OKLAHOMA, INC Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

ASSETS Current Assets:		Unrestricted	-	Temporarily Restricted	-	Permanently Restricted	_	Total
Cash and Cash Equivalents	s	1,275,570	s	420,548	¢	0	s	1,696,118
Grants Receivable	Ψ	470,164	Ŷ	40,089	Ψ	0	Ŷ	510,253
Other Receivables		0		756		ő		756
Unconditional Promises to Give		30.619		40,865		0		71,484
Allowance for Uncollectible Promises		(11,963)		10,000		0		(11,963)
Prepaid Expenses		(11,000)		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		ō		0		29 295
Total Other Assets	~	29,295		0		6.077		35,372
TOTAL ASSETS	\$_	1,845,705	\$	659,805	\$	6,077	\$	2,511,587
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts Payable	s	18.641	\$	24.574	\$	0	s	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
Net Assets:								
Unrestricted		4 000 054						
		1,338,854		0		0		1,338,854
Temporarily Restricted:		•		400 745				100 715
Legal Services Corporation Non-LSC		0		488,745		0		488,745
		0		101,354		0		101,354
Permanently Restricted Total Net Assets		0	_	0	-	6,077	-	6,077
I Utal NET ASSEIS	_	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

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 \$37,645 in OKC and \$77,098 in Tulsa that contributors have donated in our name.

Property

LEGAL AID SERVICES OF OKLAHOMA, INC Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

400570	Unrestricte	Temporarily d Restricted	Permanently Restricted	Total
ASSETS Current Assets:				
Cash and Cash Equivalents	\$ 1,275,57	0 \$ 420,548	\$ 0	\$ 1,696,118
Grants Receivable	470,16	4 40,089	. 0	510,253
Other Receivables		0 756	0	756
Unconditional Promises to Give	30,61	9 40,865	0	71,484
Allowance for Uncollectible Promises	(11,96	3) 0	0	(11,963)
Prepaid Expenses		0 79,632	0	79,632
Total Current Assets	1,764,39	0 581,890	D	2,346,280
Property (Note 3):				\frown
Land	,	6.500	0	6,500
Buildings & Improvements		0 87,676	0	87,676
Furniture		0 11.429	0	11,429
Equipment	146,255	11,160	0	235,098
Software	37,52		0	41,752
Less: Accumulated Depreciation	(131,766			(252,520)
Total Property	52,020			129,935
				120,000
Other Assets:				
Endowment Fund (Note 6) Unconditional Promises to Give	(6,077	6,077
Total Other Assets	29,295		0	29,295
Total Other Assets	29,295	0	6,077	35,372
TOTAL ASSETS	\$	5 \$ 659,805	\$6,077	\$2,511,587
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	\$ 18,641	\$ 24,574	\$ 0	\$ 43,215
Other Payable	38,687	' 1	0	38,688
Client Trust Payable	C		0	12,316
Due to Grantor	C	2,962	0	2,962
Accrued Salaries and Benefits	121,077	0	0	121,077
Deferred Revenue	2,204		0	32,057
Accrued Vacation	326,242		0	326,242
Total Current Liabilities	506,851	69,706	0	576,557
Total Liabilities	506,851	69,706	0	576,557
Net Assets:				
Unrestricted	1,338,854	0	0	1,338,854
Temporarily Restricted:	.,,		•	1,000,004
Legal Services Corporation	0	488,745	0	488.745
Non-LSC	0		õ	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	\$

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 & Deferred Revenue

LEGAL AID SERVICES OF OKLAHOMA, INC Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

100570	-	Unrestricted		Temporarily Restricted		Permanently Restricted	Total
ASSETS Current Assets:							
Pash and Cash Equivalents	s	1.275.570	s	420,548	¢	0	\$ 1.696.118
Grants Receivable	φ	470,164	÷	420,548	φ	0	510.253
Other Receivables		4/0,104		756		0	756
Unconditional Promises to Give		30.619		40.865		0	71,484
Allowance for Uncollectible Promises		(11,963)		40,000		ő	(11,963)
Prepaid Expenses		(11,000)		79.632		0	79,632
Total Current Assets	-	1.764.390		581,890		0	2,346,280
Total Guitent Hobero	-	1,104,000		501,050			2,040,200
Property (Note 3):							
Land		0		6,500		0	6,500
Buildings & Improvements		ō		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
TOTAL ASSETS	\$	1,845,705	\$_	659,805	\$_	6,077 \$	2,511,587
	\$_	1,845,705	\$_	659,805	\$_	6,077	2,511,587
LIABILITIES AND NET ASSETS	\$_	1,845,705	\$_	659,805	\$_	6,077 \$	2,511,587
LIABILITIES AND NET ASSETS Current Liabilities:							
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable	\$	18,641		24,574		0 \$	43,215
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable		18,641 38,687		24,574 1		0 \$	43,215 38,688
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable		18,641 38,687 0		24,574 1 12,316		0 \$ 0 0	43,215 38,688 12,316
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor		18,641 38,687 0 0		24,574 1 12,316 2,962		0 \$ 0 0 0	43,215 38,688 12,316 2,962
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits		18,641 38,687 0 121,077		24,574 1 12,316 2,962 0		0 \$ 0 0 0	43,215 38,688 12,316 2,952 121,077
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue		18,641 38,687 0 121,077 2,204		24,574 1 12,316 2,962 0 29,853		0 \$ 0 0 0 0 0	43,215 38,688 12,316 2,962 121.077 32,057
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation		18,641 38,687 0 121,077 2,204 326,242		24,574 1 12,316 2,962 0 29,853 0			43,215 38,688 12,316 2,952 121,077 12,057 326,242
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue		18,641 38,687 0 121,077 2,204		24,574 1 12,316 2,962 0 29,853		0 \$ 0 0 0 0 0	43,215 38,688 12,316 2,962 121.077 32,057
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation		18,641 38,687 0 121,077 2,204 326,242		24,574 1 12,316 2,962 0 29,853 0			43,215 38,688 12,316 2,952 121,077 12,057 326,242
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Defered Revenue Accrued Vacation Total Current Liabilities Total Liabilities		18,641 38,687 0 0 121,077 2,204 326,242 506,851		24,574 1 12,316 2,962 0 29,853 0 69,706		0 \$ 0 0 0 0 0 0 0 0	43,215 38,668 12,316 2,962 121,077 32,057 326,242 576,557
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets:		18,641 38,687 0 121,077 2,204 326,242 506,851 506,851		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706			43,215 38,668 12,316 2,962 121,077 32,057 326,242 576,557 576,557
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted		18,641 38,687 0 0 121,077 2,204 326,242 506,851		24,574 1 12,316 2,962 0 29,853 0 69,706		0 \$ 0 0 0 0 0 0 0 0	43,215 38,668 12,316 2,962 121,077 32,057 326,242 576,557
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted:		18,641 38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 69,706			43,215 38,688 12,316 2,952 121,077 320,577 326,242 576,557 576,557 1,338,854
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted		18,641 38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 0 488,745			43,215 38,688 12,316 2,962 121,077 326,242 576,557 576,557 1,338,854 488,745
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Urrestricted Temporarily Restricted: Legal Services Corporation Non-LSC		18,641 38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 0 488,745 101,354			43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557 1,338,854 488,745 101,354
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation		18,641 38,687 0 0 121,077 2,204 <u>326,242</u> <u>506,851</u> 1,338,854 0 0 0 0		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 69,706 0 488,745 101,354 0		0 5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557 1,338,854 488,745 101,354 6,077
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC Permanently Restricted		18,641 38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 0 488,745 101,354			43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557 1,338,854 488,745 101,354

 Grants Receivable – earned but not yet received

 Deferred Revenue – money received in advance of providing services

Liabilities

LEGAL AID SERVICES OF OKLAHOMA, INC Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

ASSETS		Unrestricted	<u> </u>	Temporarily Restricted	-	Permanently Restricted		Total
Current Assets: Cash and Cash Equivalents	s	1,275,570		420,548	¢	0	\$	1,696,118
Grants Receivable	4	470.164	÷	420,348	φ	0	¢	510,253
Other Receivables		0		756		ő		756
Unconditional Promises to Give		30.619		40.865		ő		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		õ		235,098
Software		37,527		4,225		0		41,752
Less: Accumulated Depreciation		(131,766)		(120,754)		ō		(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
TOTAL ASSETS	\$	1,845,705	\$	659,805	\$	6,077	\$	2,511,587
LIABILITIES AND NET ASSETS								
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 Accrued Vacation		2,204		29,853		0	1	32,057
Total Current Liabilities		326,242	-	69,706	-	0	-	326,242
Lotal Coden, Clabilities		506,851	-	69,706	-	U		9/6,397
Total Liabilities		506,851		69,706	-	0	_	576,557
Net Assets:								
Unrestricted		1,338,854		0		0		1,338,854
Temporarily Restricted:		,				0		
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	۶ <u> </u>	2,511,587

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

Statement of Activities

aka <u>Income Statement</u> Summarizes financial activity for a given period of time *"For the Year Ended"*

"Support" Income

Income from voluntary contributions.

Classified as either **direct** (fundraising donations) or **indirect** (donation passes through an intermediary agency before it is received by the agency (United Way). LEGAL AID SERVICES OF OKLAHOMA, INC Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

			Temporarily Rest	Permanently		
	Unrestricted	LSC	NON-LSC	Total	Restricted	Total
REVENUES, GAINS AND						
OTHER SUPPORT						
Government Grant Revenue	\$ 0\$	4,137,493			\$ 0 5	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	5,399,880	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
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	D	723,500
Total Expenses	8,113,852	0	0	0	0	8,113,852
		A CONTRACT OF CONTRACTOR				
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	ō	ō
and the second sec						
NET ASSETS,						
END OF YEAR	\$ 1.338,854 \$	488,745	\$ 101,354 3	\$ 590,099	\$ 6.077 \$	1,935,030
		STATISTICS -				In contract of the local data

Government Grant Income

<u>Generally</u> 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

For the Year Ended December 31, 2005

		1	l'emporarily Restr	ricted	Permanently	
	Unrestricted	LSC	NON-LSC	Total	Restricted	Total
REVENUES, GAINS AND						
OTHER SUPPORT	_					
Government Grant Revenue	S 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	5,399,880	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)		7,863,102
EXPENSES						
Civil Legal Services	5,731,317	0	0	0	0	5,731,317
Municipal Legal Services	409.390	õ	Ő	õ	õ	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	Ū	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)	0,070	2,100,700
Gain/Loss on Disposal of Property	0	0	0	0	<u>0</u>	0
NET ASSETS,						
END OF YEAR	\$ <u>1.338,854</u> \$	488,745 \$	101,354_\$	590,099	\$\$	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

		T	emporarily Rest	ricted	Permanently	
	Unrestricted	LSC	NON-LSC	Total	Restricted	Total
REVENUES, GAINS AND						
OTHER SUPPORT						
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	5,399,880	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
						and the second
Total Revenues, Gains and						
Other Support	8,039,651	(276,976)	100,328	(176,648)	99	7,863,102
					President and the second	
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	Ō	723,500
Total Expenses	8,113,852	0	0	0	0	8,113,852
				Long and the second second second second		
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
	1000 C	0190 00				

Revenue by Source (economic vulnerability)

- Government Grants 61%
- Contract Revenue
 20%
- Donated Services 3%
- Contributions 6%
- 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

			Te	emporarily Rest	ricted	Permanently	\frown	
		Unrestricted	LSC	NON-LSC	Total	Restricted	Total	
	REVENUES, GAINS AND					/		١
	OTHER SUPPORT							1
/	Government Grant Revenue	\$ 0\$	4,137,493 \$	524,487	\$ 4,661,980 \$	s dis	4,661,980	
/	Private Grant Revenue	150,000	0	52,169	52,169	6	202,169	
	Contract Revenue	1,418,739	0	0	0	b	1,418,739	
	United Way	0	0	386.955	386.955	D	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	o	57,240	
	Donated Services	723,500	0	0	٥	0	723,500	1
	Total Revenue and Gains	2,463,123	4,195,343	1,204,537	5,399,880	99	7,863,102	Ι
	Net Assets Released From					`	1	
١.	Restrictions:	/					\setminus \angle	
	Satisfaction of Program						\smile	
	Requirements	5,576,528	(4,472,319)	(1.104.209)	(5.576.528)	0	0	
							and the second second second second	
	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	\$ <u>1.338,854</u> \$	488,745 \$	101,354_5	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 76% Management & General 12% Donated Services 3% Public Defender Services 5% Fund Raising 3%

Rule of thumb ... at least 70% should be for program activities, Management between 7-15%, Fundraising 4-10%**.

** Organization where grants and renewals are prepared by Development Office (not our case).

LEGAL AID SERVICES OF OKLAHOMA, INC Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

			Temporarily Rest	ricted	Permanently		
	Unrestricted	LSC	NON-LSC	Total	Restricted	Total	
REVENUES, GAINS AND							
OTHER SUPPORT							
Government Grant Revenue	\$ 0\$	4,137,493			\$ 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	5,399,880	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							
	0.000.054	1070 070	400.000	(175.010)		7 000 400	
Other Support	8,039,651	(276,976)	100,328	(176,648)		7 803,162	
EXPENSES							\mathbf{N}
and a second	E 704 047					5 704 047	
Civil Legal Services	5,731,317	0	0	0	2	5,731,317	
Municipal Legal Services Management and	409,390	0	U	0	9	409,390	
General	1.086,955	0	0	0		1.086.955	
Fund Raising	162,690	0	0	0	9		
Donated Services	723,500	0	0	0	2	162,690	
Total Expenses	8,113,852	0	0	0	0	8,113,852	/
Total Expenses	0,113,002	<u> </u>	U			0,113,032	/
Change in Net Assets	(74,201)	(276,976)	100,328	(176,648)	99	(250,750)	
Net Assets, Beginning							
of Year	1,407,827	350.000	10 201	224 025			
Transfers		758,184	13,791	771,975	5,978	2,185,780	
1100101010	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	s 6.077 \$	1,935,030	
		REPORT					

Statement of Cash Flows

"Just tell me what happened to the cash."

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

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2005

<u>Cash Flows From Operating Activities:</u> Change in Net Assets Adjustments to Reconcile the Change in Net Assets to Cash Provided by (used for) Operating Activities:	s	(250,750)
Depreciation (Increase) Decrease in Receivables (Increase) Decrease in Prepaid Expenses Increase (Decrease) in Payables Increase (Decrease) in Client Trust Liabilities Increase (Decrease) in Due to Grantor Increase (Decrease) in Deterred Revenue Increase (Decrease) in Deferred Revenue Increase (Decrease) in Deferred Revenue Increase (Decrease) in Deferred Vacation (Increase) Decrease in Endowment Fund	_	62,165 72,042 (8,059) (12,160) (6,070) 2,962 (3,411) (137,762) 18,311 (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:		D
Net Increase (Decrease) in Cash		(284,256)
Cash, Beginning of Year	_	1,980,374
CASH, END OF YEAR	\$	1,696,118

For 2006:

Start with loss for year (\$83,105) Add back non-cash expenses \$47,975 Increase in Assets (\$109,422) Decrease in Liabilities (\$46,591) Purchase of assets (\$11,363) Equals: Total Use of Cash (\$202,506)

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	s	501,030	s	77,668	\$	4,501,364
Fringe Benefits	Ŷ	1,032,524	Ŷ	73,864	Ŷ	128,738	Ŷ	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
TOTAL EXPENSES	\$	6,454,817	\$_	409,390	\$	1,086,955	\$_	162,690	\$_	8,113,852

For 2006:

- Salaries 60%
- Benefits 16%
- Donated Services, Contract Attorneys 3%
- Occupancy, Office, Telephone 11%
- Equipment 3%
- Training, Library, Insurance, Dues, Professional Services 5%
- Travel, Litigation 2%

... & Functions (programs)

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	s	501.030	c	77,668	s	4,501,364
Fringe Benefits	Φ	1,032,524	φ	73,864	Ŷ	128,738	Ş	20,718	3	4,501,364
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		0,400		2,042		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
TOTAL EXPENSES	\$	6,454,817	\$_	409,390	\$	1,086,955	\$_	162,690	\$_	8,113,852

For 2006:

- Program Services 85%
 - Civil Legal Services 79%
 - Public Defender 5.5%
- Administrative 12%
- Fundraising 3% **
- ** 42% of contribution revenue

Ask Questions

Net Assets

Aka Fund Balance

Net Assets - What is it?



- Only a new non-profit 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

				Temporarily		Permanently		
		Unrestricted		Restricted		Restricted		Total
ASSETS					-			
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
TOTAL ASSETS	\$_	1,845,705	\$	659,805	\$_	6,077	\$	2,511,587
	\$_	1,845,705	\$_	659,805	\$	6,077	\$	2,511,587
LIABILITIES AND NET ASSETS	\$_	1,845,705	\$_	659,805	\$_	6,077	\$	2,511,587
LIABILITIES AND NET ASSETS Current Liabilities:	=						-	
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable	\$_ \$	18,641		24,574		0	\$	43,215
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable	=	18,641 38,687		24,574 1		0	-	43,215 38,688
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable	=	18,641 38,687 0		24,574 1 12,316		0 0 0	-	43,215 38,688 12,316
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor	=	18,641 38,687 0 0		24,574 1 12,316 2,962		0 0 0	-	43,215 38,688 12,316 2,962
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits	=	18,641 38,687 0 121,077		24,574 1 12,316 2,962 0		0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue	=	18,641 38,687 0 121,077 2,204		24,574 1 12,316 2,962 0 29,853		0 0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077 32,057
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation	=	18,641 38,687 0 121,077 2,204 326,242		24,574 1 12,316 2,962 0 29,853 0		0 0 0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077 32,057 326,242
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue	=	18,641 38,687 0 121,077 2,204		24,574 1 12,316 2,962 0 29,853		0 0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077 32,057
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities	=	18,641 38,687 0 0 121,077 2,204 326,242 506,851		24,574 1 12,316 2,962 0 29,853 0 69,706		0 0 0 0 0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation	=	18,641 38,687 0 121,077 2,204 326,242		24,574 1 12,316 2,962 0 29,853 0		0 0 0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077 32,057 326,242
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities	=	18,641 38,687 0 0 121,077 2,204 326,242 506,851		24,574 1 12,316 2,962 0 29,853 0 69,706		0 0 0 0 0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets:	=	18,641 38,687 0 121,077 2,204 326,242 506,851 506,851		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706			-	43,215 38,688 12,316 2,962 121,077 320,57 326,242 576,557 576,557
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted	=	18,641 38,687 0 0 121,077 2,204 326,242 506,851		24,574 1 12,316 2,962 0 29,853 0 69,706		0 0 0 0 0 0 0 0 0	-	43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Other Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted:	=	18,641 38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706			-	43,215 38,688 12,316 2,962 121,077 326,242 576,557 576,557 1,338,854
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accnued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation	=	18,641 38,687 0 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 0 488,745			-	43,215 38,688 12,316 2,962 121,077 326,242 576,557 576,557 1,338,854 488,745
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Other Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC	=	18,641 38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0		24,574 1 12,316 2,962 0 29,853 <u>0</u> 69,706 69,706 0 488,745 101,354			-	43,215 38,688 12,316 2,962 121,077 326,242 576,557 576,557 1,338,854 488,745 101,354
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC Permanently Restricted	=	18,641 33,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0 0		24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 0 488,745 101,354 0			-	43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557 576,557 1,338,854 488,745 101,354 6,077
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Other Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC	=	18,641 38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0		24,574 1 12,316 2,962 0 29,853 <u>0</u> 69,706 69,706 0 488,745 101,354			-	43,215 38,688 12,316 2,962 121,077 326,242 576,557 576,557 1,338,854 488,745 101,354
LIABILITIES AND NET ASSETS Current Liabilities: Accounts Payable Other Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC Permanently Restricted	=	18,641 33,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0 0	\$	24,574 1 12,316 2,962 0 29,853 0 69,706 69,706 0 488,745 101,354 0	\$		\$ 	43,215 38,688 12,316 2,962 121,077 32,057 326,242 576,557 576,557 1,338,854 488,745 101,354 6,077

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

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

		Т	emporarily Restri	Permanently		
	Unrestricted	LSC	NON-LSC	Total	Restricted	Total
REVENUES, GAINS AND						
OTHER SUPPORT						
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	5,399,880	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
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	\sim	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)
						\leq
Net Assets, Beginning						
of Year	1,407,827	758,184	13,791	771,975	5,878	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	\$ <u>1.338,854</u> \$	488,745 \$	101,354 \$	590,099	\$ \$077.\$	1,935,030

How much is enough?

- What if a major grant is reduced or terminated?
- 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.

LASO's Board has approved a minimum net assets goal of 25% of budgeted expenses.

Board Designated Net Assets

- Those net asset dollars restricted by the board for a stated purpose.
- Use of money requires board action.

LASO's board has designated \$350,000 for technology replacements.

Ask Questions

Tools

Is the organization financially healthy?

Working capital

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

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

ASSETS	-	Unrestricted		Temporarily Restricted		Permanently Restricted		Total	
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			\sim	79,632	
Total Current Assets	-	1,764,390		581,890				2,346,280	\mathcal{I}
Property (Note 3):								\sim	
Land		0		6,500		0		6,500	
Buildings & Improvements		ő		87,676		0		87,676	
Furniture		ő		11,429		0		11,429	
Equipment		146,259		88,839		0		235,098	
Software		37,527		4,225		ő		41,752	
Less: Accumulated Depreciation		(131,766)		(120,754)		0		(252,520)	
Total Property		52,020		77,915		0		129,935	
· · · · · · · · · · · · · · · · · · ·		on,one						120,000	
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	
TOTAL ASSETS	\$	1,845,705	\$_	659,805	\$_	6,077	\$_	2,511,587	
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Current Liabilities: Accounts Pavable	s	18 641	ŝ	24 574	s	0	s	43 215	
Accounts Payable	\$	18,641 38 687	\$	24,574	\$	0	\$	43,215 38 688	
	\$	18,641 38,687 0	\$		\$		\$	38,688	
Accounts Payable Other Payable	s	38,687	\$	1	\$	0	\$	38,688 12,316	
Accounts Payable Other Payable Client Trust Payable	\$	38,687 0	\$	1 12,316	\$	0	\$	38,688	
Accounts Payable Other Payable Client Trust Payable Due to Grantor	s	38,687 0 0	\$	1 12,316 2,962	\$	0	\$	38,688 12,316 2,962	
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits	s	38,687 0 0 121,077	\$	1 12,316 2,962 0	\$	0 0 0	\$	38,688 12,316 2,962 121,077	
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue	\$	38,687 0 121,077 2,204	\$	1 12,316 2,962 0 29,853	\$	0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057	$\overline{}$
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities	\$	38,687 0 121,077 2,204 326,242 506,851	\$	1 12,316 2,962 0 29,853 0 69,706	\$		\$	38,688 12,316 2,962 121,077 32,057 326,242 576,557	>
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Ac <u>crued Vacation</u>	\$	38,687 0 121,077 2,204 326,242	\$	1 12,316 2,962 0 29,853 0	\$	0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057 326,242	>
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets:	\$	38,687 0 0 121,077 2,204 326,242 506,851 506,851	\$	1 12,316 2,962 0 29,853 0 69,706 69,706	\$	000000000000000000000000000000000000000	\$	38,688 12,316 2,962 121,077 32,057 326,242 576,557	>
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted	s 	38,687 0 121,077 2,204 326,242 506,851	\$	1 12,316 2,962 0 29,853 0 69,706	\$	0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057 326,242 576,557	>
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted:	\$	38,687 0 0 121,077 2,204 326,242 506,851 506,851 1,338,854	\$	1 12,316 2,962 0 29,853 0 69,706 69,706 0	\$	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057 <u>326,242</u> 576,557 1,338,854	>
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation	\$	38,687 0 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0	\$	1 12,316 2,962 0 29,853 0 69,706 69,706 0 488,745	\$	0 0 0 0 0 0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057 <u>326,242</u> 576,557 576,557 1,338,854 488,745	>
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC	\$ 	38,687 0 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0	\$	1 12,316 2,962 0 29,853 0 69,706 69,706 69,706 0 488,745 101,354	\$	0 0 0 0 0 0 0 0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057 326,242 576,557 576,557 1,338,854 488,745 101,354	
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC Permanently Restricted	\$	38,687 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0 0 0	\$	1 12,316 2,962 0 29,853 0 69,706 69,706 69,706 0 488,745 101,354 0	\$	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057 326,242 576,557 576,557 1,338,854 488,745 101,354 6,077	
Accounts Payable Other Payable Client Trust Payable Due to Grantor Accrued Salaries and Benefits Deferred Revenue Accrued Vacation Total Current Liabilities Total Liabilities Net Assets: Unrestricted Temporarily Restricted: Legal Services Corporation Non-LSC	\$	38,687 0 0 121,077 2,204 326,242 506,851 506,851 1,338,854 0 0	\$	1 12,316 2,962 0 29,853 0 69,706 69,706 69,706 0 488,745 101,354	\$	0 0 0 0 0 0 0 0 0 0 0	\$	38,688 12,316 2,962 121,077 32,057 326,242 576,557 576,557 1,338,854 488,745 101,354	>

(current assets – current liabilities)

In this example \$1,769,723

In 2006 audit \$1,750,702

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

ASSETS Current Assets:	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash and Cash Equivalents	5 1,275,570	\$ 420,548	\$ 0	0 1 000 110
Grants Receivable				\$ 1,696,118
	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	D	2,346,280
Property (Note 3):				\bigcirc
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

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

2006 audit: \$1,750,702/\$20,951 = 83.5 days

Total Current Liabilities	506,851	69,706	0	576,557
Total Liabilities	506,851	69,706	0	576,557
Net Assets:				\smile
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

	ST	D SERVICES OF Oklahoma City, C FATEMENT OF A Year Ended Dec	Oklahoma ACTIVITIES	iC.		
REVENUES, GAINS AND OTHER SUPPORT Government Grant Revenue	Unrestricted	LSC	mporarily Restric NON-LSC 524.487 \$	Total	Permanently Restricted	Total
Private Grant Revenue	a 0.5 150,000	4,137,493 \$ D	524,487 \$ 52,169	4,661,980 \$ 52,169	0 8	4,661,980 202,169
365 days	- JZZ	230 0	iuay			
2006 Aud	lit: \$7,	647,3	05/36		-	
,			J	5 = \$ (5,576,528)	20,95 °	5 1
2006 Aud Requirements	lit: \$7,	647,3	05/36		-	
Requirements Total Revenues, Gains and Other Support	lit: \$7, 5,576,528	647,3 (4,472,319)	05/36	(5,576,528)	00	0
Acquirements total Revenues, Gains and Other Support Civil Legal Services	lit: \$7, 	647,3 (4.472,319) (276,976) 0	05/36 (1,104,209) 100,328 0	(5,576,528) (176,648) 0	0	0
te 2006 Aud Requirements total Revenues, Gains and Other Support XPENSES Civil Legal Services Municipal Legal Services	lit: \$7, _ <u>5,576,528</u> _ <u>8,039,651</u>	647,3 (4,472,319) (276,976)	05/36 (1,104,209) 100,328	(5,576,528) (176,648)	0	0
Acquirements total Revenues, Gains and Other Support Civil Legal Services	lit: \$7, 	647,3 (4.472,319) (276,976) 0	05/36 (1,104,209) 100,328 0	(5,576,528) (176,648) 0	099 00	0 7,863,102 5,731,317 409,390
Requirements total Revenues, Gains and Other Support <u>XPENSES</u> Civil Legal Services Municipal Legal Services Management and	lit: \$7, 	647,3 (4.472,319) (276,976) 0 0	05/36 (1,104,209) 100,328 0	(5,576,528) (176,648) 0 0	0	0
Active Services Management and Citer Support Civil Legal Services Municipal Legal Services Management and General Fund Raising Dentated Services	lit: \$7, 	647,3 (4.472,319) (276,976) 0 0 0	05/36 (1,104,209) 100,328	(5,576,528) (176,648) 0 0	0 99 0 0	0 7,863,102 5,731,317 409,390 1,086,955
Acquirements total Revenues, Gains and Other Support XPENSES Chil Legal Services Municipal Legal Services Management and General Fund Raising	lit: \$7, 	647,3 (4.472,319) (276,976) 0 0	05/36 (1,104,209) 100,328 0 0	(5,576,528)	0 99 0 0	0 7,863,102 5,731,317 409,390 1,086,955 162,690
Active Content of the second of the support of the	lit: \$7, 	647,3 (4.472,319) (276,976) 0 0 0	05/36 (1,104,209) 100,328	(5,576,528) (176,648) 0 0 0 0 0	0 99 0 0	0 7,863,102 5,731,317 409,390 1,086,955 162,690 -723,500
Acquirements Total Revenues, Gains and Other Support Civil Legal Services Municipal Legal Services Management and General Fund Raising Durated Services Total Expenses thange in Net Assets	Lit: \$7, 	647,3 (4.472,319) (276,976) 0 0 0 0 0 0 0 0 0 0 0	05/36 (1,104,209) 100,328 0 0 0 0 0 0 0 0	(5.576,528) (176,648) 0 0 0 0 0 0 0 0 0 0	0 99 0 0 0 0	0 7,863,102 5,731,317 409,390 1,086,955 162,690 -723,560 8,113,852
Acquirements Total Revenues, Gains and Other Support EXPENSES Civil Legal Services Management and General Fund Raising Denated Services Total Expenses Change in Net Assets	Lit: \$7, 	647,3 (4.472,319) (276,976) 0 0 0 0 0 0 0 0 0 0 0	05/36 (1,104,209) 100,328 0 0 0 0 0 0 0 0	(5.576,528) (176,648) 0 0 0 0 0 0 0 0 0 0	0 99 0 0 0 0	0 7,863,102 5,731,317 409,390 1,086,955 162,690 -723,560 8,113,852
Acquirements Total Revenues, Gains and Other Support Chill Legal Services Municipal Legal Services Management and General Fund Raising Denated Services Total Expenses Chall Expenses Chall Expenses Chall Expenses Chall Expenses	lit: \$7, 	647,3 (4.472,319) (276,976) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	05/36 (1,104,209) 100,328 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	(5.576,528) (176,648) 0 0 0 0 0 0 0 (176,648)	0 99 0 0 0 0 0 99	0 7,863,102 5,731,317 409,390 1,086,955 162,690 -723,500 8,113,852 (250,750)
Active and the set of	lit: \$7, 	647,3 (4.472,319) (276,976) 0 0 0 0 0 0 0 0 (276,976) (276,976) 758,184	05/36 (1,104,209) 100,328 0 0 0 0 0 0 0 0 0 0 100,328 13,791	(5.576,528) (176,648) 0 0 0 0 0 0 (176,648) (176,648) 771,975	0 99 0 0 0 0 0 99 5,978	0 7,863,102 5,731,317 409,390 1,086,955 162,690 -723,600 -723,600 2,185,780

Current Ratio (ability to pay debts with available resources)

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

STATEMENT OF FINANCIAL POSITION

As of December 31, 2005

		Unrestricted		Temporarily Restricted		Permanently Restricted		Total	
ASSETS Current Assets:									
Cash and Cash Equivalents	\$	1,275,570	s	420,548	\$	0	\$	1,696,118	
Grants Receivable	Ŷ	470,164	Ť	40.089	Ψ	0	Ŷ	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	1	79,632	
Total Current Assets	_	1,764,390		581,890		0	C	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		ō		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	
TOTAL ASSETS	\$_	1,845,705	\$_	659,805	\$_	6,077	\$	2,511,587	
LIABILITIES AND NET ASSETS									
Current Liabilities:									
Accounts Payable	\$		\$	24,574	\$		\$	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 Deferred Revenue		121,077		0		0		121,077	
Accred Vacation		2,204		29,853 0		0		32,057	
Total Current Liabilities		326,242 506,851		69,706	-	0	/	of all of the second	
I Otal Current Elabilities	-	500,651		09,700			(-	576,557	
Total Liabilities		506,851		69,706	_	0		576,557	
Net Assets;									
Unrestricted		1.338.854		0		0		1,338,854	
Temporarily Restricted:		.,		-		-		.10001001	
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	

Current assets/current liabilities

Example: 4.07 2006 Audit: 4.30

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

AS	SETS	-	Unrestricted		Temporarily Restricted	-	Permanently Restricted	Total	
Cu	rrent Assets:								1
	Cash and Cash Equivalents 🥥	\$	1,275,570	\$	420,548	\$	Q \$	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		D	2,346,280	
Pro	perty (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	

Cash/Total Revenues (2005) = 21.6

2006 = 19.7

Current Liabilities:								
Accounts Payable	s	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
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
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

		Temporarity Restricted			Permanently	
Unrestricted		LSC	NON-LSC	Total	Restricted	Total
REVENUES, GAINS AND						
OTHER SUPPORT						
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	5,399,880	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
						\smile
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	\$ <u>1.338,854</u> \$	488,745 \$	101,354_\$	590,099	\$ 6,077 \$	1,935,030

Recent Developments

Approved Indirect Cost Rate

Automatically approved summary charge for all federal grants VS. Pages of itemized reimbursement requests

LASO's rate is 21.7% of direct salaries.

Ask Questions

Looking Forward

Performance Measurement "Outcome Measurement" Efficiency and Performance Evaluation

- Quantity of service/products
- Degree of goal accomplishment
- Cost to produce service/products
- Beneficiary satisfaction
- Degree of change in an individual/society

New Form 990 (2008)

- Expands disclosure on compensation, benefits and expenses.
- Disclose related party transactions & conflicts of interest.

Green Initiative

- Deposits made by scanned checks
- P-Cards
- E-mailing of PDF financial reports
- On-line requisitions
- On-line expense report submittals
- On-line expenditure approvals
- Accounts payable paid by wire transfers instead of checks

LEGAL AID SERVICES OF OKLAHOMA, INC.



Remember:

Ask Questions