



Financial Statements

December 31, 2020

East River Legal Services Corporation

(With Comparative Totals for 2019)

East River Legal Services Corporation

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December 31, 2020 with comparative totals for December 31, 2019

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Independent Auditor's Report

The Board of Directors
East River Legal Services Corporation
Sioux Falls, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of East River Legal Services Corporation (a non-profit corporation), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East River Legal Services Corporation as of December 31, 2020, and the change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the East River Legal Services Corporation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statements of support, revenue and expenses, and changes in net assets for Legal Services Corporation Funds on pages 16 and 17 and the schedule of expenditures of federal awards, as required by the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), on page 18, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 27, 2021, on our consideration of the East River Legal Services Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of East River Legal Services Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East River Legal Services Corporation's internal control over financial reporting and compliance.



Sioux Falls, South Dakota
April 27, 2021

East River Legal Services Corporation

Statements of Financial Position

December 31, 2020 with Comparative Totals as of December 31, 2019

	2020	2019
Assets		
Current Assets		
Cash	\$ 162,811	\$ 4,667
Client escrow funds	1,200	1,200
Accounts receivable	2,635	-
Grants and contracts receivable	189,518	118,473
Prepaid expenses	23,004	20,336
Total current assets	379,168	144,676
Property and Equipment		
Leasehold improvements	39,864	-
Office and computer equipment	132,930	135,676
Furniture and fixtures	41,388	43,358
Law library	7,361	7,361
	221,543	186,395
Less accumulated depreciation	(106,325)	(81,202)
Total property and equipment	115,218	105,193
Total Assets	\$ 494,386	\$ 249,869
Liabilities and Net Assets		
Current Liabilities		
Line of credit	\$ -	\$ 23,500
Note payable - current portion	51,002	68,314
Accounts payable	23,680	28,495
Client trust deposits	1,200	1,200
Accrued vacation and payroll taxes	47,442	31,636
Refundable advance	207,000	-
Total current liabilities	330,324	153,145
Note Payable, Less Current	-	57,306
Total Liabilities	330,324	210,451
Net Assets		
Without donor restrictions		
Undesignated	24,088	(87,466)
Invested in property and equipment	65,998	66,007
Total net assets without donor restrictions	90,086	(21,459)
With donor restrictions		
Legal Services Corporation, purpose-restricted	8,797	-
Legal Services Corporation, property and equipment	49,220	39,186
Funds other than Legal Services Corporation, purpose-restricted	15,959	21,691
Total net assets with donor restrictions	73,976	60,877
Total net assets	164,062	39,418
Total Liabilities and Net Assets	\$ 494,386	\$ 249,869

See Notes to Financial Statements

East River Legal Services Corporation

Statements of Activities

Year Ended December 31, 2020 with Comparative Totals for the Year Ended December 31, 2019

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions			2020 Total	2019 Total
		Legal Services Corporation	Funds other than Legal Services Corporation	Total		
Revenues, Gains, and Other Support						
Grants and contracts	\$ 122,193	\$ 517,416	\$ 546,067	\$ 1,063,483	\$ 1,185,676	\$ 857,370
Contribution in the form of Paycheck Protection Program (PPP) loan forgiveness	131,600	-	-	-	131,600	-
Contributions	78,984	-	-	-	78,984	60,425
Interest income	3	-	-	-	3	12
In kind attorney services	39,143	-	-	-	39,143	-
Other income	-	-	-	-	-	21
Net assets released from restrictions - satisfaction of program restrictions	1,050,384	(498,585)	(551,799)	(1,050,384)	-	-
Total revenues, gains, and other support	1,422,307	18,831	(5,732)	13,099	1,435,406	917,828
Expenses						
Program services	1,054,680	-	-	-	1,054,680	737,038
Management and general	240,520	-	-	-	240,520	175,478
Fundraising and development	15,562	-	-	-	15,562	13,468
Total expenses	1,310,762	-	-	-	1,310,762	925,984
Changes in Net Assets	111,545	18,831	(5,732)	13,099	124,644	(8,156)
Net Assets, Beginning	(21,459)	39,186	21,691	60,877	39,418	47,574
Net Assets, Ending	\$ 90,086	\$ 58,017	\$ 15,959	\$ 73,976	\$ 164,062	\$ 39,418

See Notes to Financial Statements

East River Legal Services Corporation

Statements of Functional Expenses

Year Ended December 31, 2020 with Comparative Totals for the Year Ended December 31, 2019

	Program Services	Management and General	Fundraising and Development	2020	2019
Personnel Expenses					
Salaries - lawyers	\$ 332,889	\$ 50,069	\$ 38	\$ 382,996	\$ 302,274
Salaries - paralegals	79,594	318	-	79,912	46,220
Salaries - other	244,099	89,190	12,724	346,013	175,338
Employee benefits	116,178	39,860	2,501	158,539	100,921
Total personnel expenses	772,760	179,437	15,263	967,460	624,753
Other Expenses					
Space and occupancy	63,955	14,839	-	78,794	71,294
Office supplies	13,434	2,391	-	15,825	15,231
Travel	15,976	718	-	16,694	35,616
Telephone and internet	5,665	246	-	5,911	5,678
Audit	-	16,900	-	16,900	18,745
Library	4,491	-	-	4,491	4,281
Training	7,831	-	-	7,831	4,850
Insurance	7,166	-	-	7,166	6,225
Advertising	4,177	-	-	4,177	2,619
Depreciation	31,880	7,537	-	39,417	28,412
Contract services to program	41,594	-	-	41,594	44,893
Dues and fees	5,439	-	-	5,439	6,714
Accounting contract services	-	11,059	-	11,059	11,599
Technology	36,028	-	-	36,028	36,704
Consulting	-	2,509	-	2,509	3,325
In kind attorney services	39,143	-	-	39,143	-
Equipment rental	3,828	888	-	4,716	-
Other	1,313	3,996	299	5,608	5,045
Total other expenses	281,920	61,083	299	343,302	301,231
Total expenses	\$ 1,054,680	\$ 240,520	\$ 15,562	\$ 1,310,762	\$ 925,984

See Notes to Financial Statements

East River Legal Services Corporation

Statements of Cash Flows

Year Ended December 31, 2020 with Comparative Totals for the Year Ended December 31, 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 124,644	\$ (8,156)
Adjustments to reconcile change in net assets to cash from (used for) operating activities		
Depreciation	39,417	28,412
Contribution in the form of PPP loan forgiveness	(131,600)	-
Change in assets and liabilities		
Client escrow funds	-	(460)
Accounts receivable	(2,635)	3,364
Grants and contracts receivable	(71,045)	(90,321)
Prepaid expenses	(2,668)	915
Accounts payable	(958)	(8,597)
Judicare payable	-	(1,575)
Client trust deposits	-	460
Accrued vacation and payroll taxes	15,806	(10,136)
Refundable advance	207,000	-
Proceeds from PPP loan	131,600	-
Net Cash from (used for) Operating Activities	309,561	(86,094)
Investing Activities		
Purchase of property and equipment	(53,299)	(60,037)
Financing Activities		
Net (repayments) advances under line of credit	(23,500)	23,500
Proceeds from issuance of note payable	-	150,000
Principal payments on note payable	(74,618)	(24,380)
Net Cash (used for) from Financing Activities	(98,118)	149,120
Net Change in Cash	158,144	2,989
Beginning Cash	4,667	1,678
Ending Cash	\$ 162,811	\$ 4,667
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for		
Interest	\$ 2,764	\$ 2,017
Supplemental Disclosure of Non-cash Investing Activity		
Accounts payable for property and equipment	\$ 15,955	\$ 19,812

Note 1 - Nature of Activities and Summary of Significant Accounting Policies**Nature of Activities**

East River Legal Services Corporation (the Organization) is a nonprofit corporation organized for the purpose of providing free legal assistance in civil proceedings or matters to financially eligible low-income persons in eastern South Dakota. The Organization is funded primarily through grants from Legal Services Corporation (LSC), a nonprofit corporation established by Congress to administer a nationwide legal assistance program. The Organization also receives a substantial amount through grants from the South Dakota State Department of Social Services for victims of crime. A significant reduction in the level support, if this were to occur, would have a significant effect on the Organization's programs and activities.

Comparative Financial Information

The statements of activities and functional expenses include certain prior year summarized comparative information in total, but not by net asset class nor expenses by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Grants and Contracts Receivables

Grants and contracts receivable consist primarily of amounts due from governmental and private entities.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation. Property acquired with LSC funds are considered to be owned by the Organization while used in the program or in future authorized programs. However, LSC retains a reversionary interest in these assets as well as the right to determine the use of any proceeds from the sale of such assets. Property acquired with LSC funds is classified as net assets with donor restrictions and reclassified as net asset without donor restriction in amounts equal to related depreciation. Property acquired with other funds is generally classified as net assets without donor restrictions.

Depreciation of property is computed on a straight-line basis over the following estimated useful lives, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term:

Leasehold improvements	3 years
Office and computer equipment	3-5 years
Furniture and fixtures	5-10 years
Law library	5-20 years

Net Assets

The Organization classifies its net assets, revenue and expenses, and gains and losses based on the existence or absence of donor-imposed restrictions on contributions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

The Organization receives restricted federal funds, grants and contract revenue to provide legal assistance to individuals determined to be eligible in accordance with donor restrictions. Management believes restrictions have been met when eligible services have been provided. Accordingly, the funds are released from restriction at that time.

Revenue and Revenue Recognition

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets are reclassified to net assets without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position, which totaled \$207,000 as of December 31, 2020. In accordance with LSC regulations, the Organization may use unspent funds in future periods as long as expenses incurred are in compliance with the specified terms of the LSC grant, as defined. Funds remaining unexpended at the end of an accounting period are recorded as LSC net assets with donor restrictions, unless the funds have exceeded the LSC net asset carryover limitations and a waiver of the excess funds have not yet been granted (See Note 5). LSC may, at its discretion, request reimbursement for expenses or return of unexpended funds, or both, as a result of noncompliance by the Organization with the terms of the grant. In addition, if the Organization terminates its LSC grant activities, all unexpended funds are to be returned to LSC.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants and contracts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization's mission.

Donated Services

Valuation of donated services is determined based on the lower of the attorney declared hourly rate or an average fair market rate for the services provided. During 2020, the PAI program moved from contracting with law firms at a lower rate to referring cases to law firms on a pro bono basis. The Organization recognized in kind attorney services of \$39,143 for the PAI and VOCA programs for the year ended December 31, 2020.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and employee benefits, as well as space and occupancy, office supplies, depreciation, and other. These expenses are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization had no unrelated business income from the year ended December 31, 2020.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets or changes in net assets.

Subsequent Events

The Organization has evaluated subsequent events through April 27, 2021, the date which these financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$	162,811
Accounts receivable		2,635
Grants receivable		<u>189,518</u>
	\$	<u><u>354,964</u></u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization prepares an annual budget to manage liquidity and determine general expenditures over the next twelve months.

The Organization maintains a \$80,000 line of credit (Note 8). As of December 31, 2020, the \$80,000 remained available. Funds received and recorded as refundable advance as of December 31, 2020, contain requirements for the funds to be used in a particular manner in a future period under grant and contract terms.

Note 3 - Funding Sources

Funding for the year ended December 31, 2020 consisted of the following:

Grants and contracts without donor restrictions	
South Dakota Commission on Equal Access to Our Courts	\$ 115,093
Technology service contracts	7,100
	<u>122,193</u>
Total grants and contracts without donor restrictions	
Grants and contracts with donor restrictions	
Victims of Crime Act Grant (VOCA)	509,532
Legal Services Corporation	517,416
Older Americans - State of South Dakota	32,702
Family Violence Prevention Services Act - CARES Act	3,833
	<u>1,063,483</u>
Total grants and contracts with donor restrictions	
Total grants and contracts revenue	<u><u>\$ 1,185,676</u></u>

Note 4 - Property and Equipment by Programs

Property and equipment are allocated to programs and management and general as follows:

	Cost	Accumulated Depreciation
LSC	\$ 74,994	\$ (25,774)
Other programs	126,235	(67,915)
Management and general	20,314	(12,636)
	<u>\$ 221,543</u>	<u>\$ (106,325)</u>

Depreciation expense is allocated to programs and management and general as follows:

LSC	\$ 9,414
Other programs	22,466
Management and general	7,537
	<u>\$ 39,417</u>

East River Legal Services Corporation

Notes to Financial Statements

December 31, 2020

Note 5 - Carryover of Net Assets

Under LSC regulations, the Organization is permitted to carryover LSC net assets, excluding property, equal to 10% of total LSC annualized support of \$461,315. With the approval of LSC, additional amounts up to 25% of direct payments to attorneys in the current year may be carried over as net assets.

Net assets as of December 31, 2020, consist of the following:

LSC basic field grant and special grants, less property and equipment of \$49,220 in 2020	\$ 8,797
Net assets not subject to carryover limitations	
Funds other than LSC - purpose restricted	15,959
Undesignated	24,088
Invested in property and equipment	115,218
Total net assets not subject to carryover limitations	155,265
Total net assets	\$ 164,062

Note 6 - Private Attorney Involvement

The private attorney involvement (PAI) program provides for the Organization to expend funds for legal services on behalf of persons who qualify for legal assistance but do not have access to the Organization's attorneys. Such funds are distributed to the person's attorney as costs are incurred for each particular case.

PAI costs and allocated expenses for the year ended December 31, 2020 were paid with LSC funds and non-LSC funds as follows:

PAI costs and allocated expenses	
Paid with LSC funds	\$ 65,836
In kind attorney services	33,856
	<u>\$ 99,692</u>

East River Legal Services Corporation
Notes to Financial Statements
December 31, 2020

PAI allocations by line item are as follows:

Personnel expenses	
Salaries - other	\$ 45,246
Employee benefits	<u>9,271</u>
Total personnel expenses	<u>54,517</u>
Other expenses	
In kind attorney services	33,856
Space and occupancy	3,897
Audit	841
Travel	576
Telephone	246
Litigation	-
Office supplies	470
Advertising	132
Library	260
Insurance	412
Dues and fees	302
Accounting contract services	614
Technology	1,017
Other	9
Contract services for program	<u>2,543</u>
Total other expenses	<u>45,175</u>
Total PAI expenses	<u>\$ 99,692</u>
Purchase of property and equipment	<u>-</u>
Total PAI expenses and property and equipment purchases	<u>\$ 99,692</u>

Note 7 - Lease Commitment

The Organization has entered into a lease agreement for the rental of office space in Sioux Falls, South Dakota which expires in 2023. On September 1, 2020, the agreement was amended to add additional office space. The lease contains a clause which allows the Organization to terminate the lease in the event they were to lose a substantial portion of its LSC funding. The termination clause can be exercised with ninety days minimum notice. Premature termination would result in a forfeiture of the Organization's security deposit of \$3,050. Lease expense for the year ending December 31, 2020 was \$78,032.

The future minimum lease payments under this lease are as follows:

<u>Years Ending December 31,</u>	
2021	\$ 90,696
2022	90,696
2023	<u>90,696</u>
	<u>\$ 272,088</u>

Note 8 - Line of Credit

The Organization has an \$80,000 revolving line of credit with a bank. Borrowings under the line bear interest at the prime rate plus 1.75% (5.00% at December 31, 2020). Interest payments are due monthly with the principal due at the maturity date of May 31, 2021. The collateral on the revolving line of credit includes all assets of the Organization.

Note 9 - Paycheck Protection Program (PPP) Loan

The Organization was granted a \$131,600 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization has elected to account for the funding as a conditional contribution by applying ASC 958-605, *Not-for-Profit – Revenue Recognition*. The Organization initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$131,600 as contribution revenue for the year ended December 31, 2020 as the Organization has received loan forgiveness from the SBA effective December 30, 2020.

Note 10 - Note Payable

On October 15, 2019, the Organization entered into an unsecured note agreement with the SD Bar Foundation in the amount of \$150,000. The note bears interest at 3.00%. Monthly payments of interest and principal totaling \$6,447 are due through October 15, 2021. There was \$51,002 outstanding under this loan agreement as of December 31, 2020.

Note 11 - Retirement Plan

The Organization maintains a 401(k)-profit sharing plan on behalf of its employees through ABA Retirement Funds. Employees who are 21 years or older and have one month of service are eligible to participate. The Organization has a tiered matching contribution consisting of 100% of a participant's elective contribution not in excess of 3.00% and 50% of a participant's elective contributions over 3.00% but not in excess of 5.00%. Vesting occurs after two years of service. Employer contributions were \$11,422 for the year ended December 31, 2020.

Note 12 - COVID-19

During 2020, the world-wide pandemic impacted national and global economies. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and full impact to the Organization's financial position is not known.



Supplementary Information
December 31, 2020 with Comparative Totals for
December 31, 2019

East River Legal Services Corporation

East River Legal Services Corporation

Statements of Support, Revenue and Expenses, and Changes in Net Assets for Legal Services Corporation Funds Year Ended December 31, 2020 with Comparative Totals for the Year Ended December 31, 2019

	2020						2019	
	Basic Field Grant	Private Attorney Involvement	Technology Initiative Grant	COVID-19 Response Grant	Capacity Building Special Grant	Telework	Grand Total	Total
Other Expenses								
Space and occupancy	\$ 25,918	\$ 3,897	\$ -	\$ 1,170	\$ -	\$ 30,985	\$ -	\$ 38,575
Audit	6,066	841	-	-	-	6,907	-	12,470
Travel	3,003	576	69	296	-	3,944	-	16,044
Insurance	2,475	412	-	84	-	2,971	-	3,366
Telephone	1,571	246	-	80	-	1,897	-	2,967
Advertising	1,077	132	-	52	-	1,261	-	1,382
Office supplies	3,426	470	-	170	1,092	5,158	-	8,603
Depreciation	-	-	-	-	-	-	-	4,263
Other	5,532	9	429	124	-	6,094	9,414	5,031
Accounting contract services	3,708	614	-	207	-	4,529	-	6,118
Technology	6,745	1,017	4,676	328	11,697	24,463	-	17,616
Library	1,562	260	-	54	-	1,876	-	2,148
Dues and fees	743	302	-	27	-	1,072	-	3,277
Contract services to program	11,155	2,543	-	213	-	13,911	-	35,674
Reallocation for excess expenditures to net assets without restrictions	(5,683)	-	-	-	-	(5,683)	-	(71,140)
Total other expenses	67,298	11,319	5,174	2,805	12,789	99,385	9,414	86,394
Total expenses	379,343	65,836	15,000	16,203	12,789	489,171	9,414	415,733
Support and Revenue								
Over (Under) Expenses	16,137	-	-	8,797	3,311	28,245	(9,414)	30,150
Transfer for Property	(16,137)	-	-	-	(3,311)	(19,448)	19,448	34,413
Net Assets, Beginning	-	-	-	-	-	-	39,186	9,036
Net Assets, Ending	\$ -	\$ -	\$ -	\$ 8,797	\$ -	\$ 8,797	\$ 49,220	\$ 39,186

East River Legal Services Corporation
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Grantor/Pass Through Grantor/ Program Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Legal Services Corporation			
Direct			
Basic Field Grant	09.542026		\$ 461,316
Technology Initiative Grant	09.542026		15,000
COVID-19 Response Grant	09.542026		16,203
COVID-19 Telework Capacity Building Grant	09.542026		16,100
Total Legal Service Corporation			<u>508,619</u>
U.S. Department of Justice			
Direct			
Crime Victim Assistance	16.575		<u>509,532</u>
U.S. Department of Health and Human Services			
Direct			
Family Violence Prevention and Services Act	93.671		<u>3,833</u>
Total Federal Financial Assistance			<u>\$ 1,021,984</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of East River Legal Services Corporation under programs of the federal government for the year ended December 31, 2020. The information is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Organization has not elected to use the 10% de minimis cost rate.



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
East River Legal Services Corporation
Sioux Falls, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of East River Legal Services Corporation (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The Organization's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eric Bailly LLP".

Sioux Falls, South Dakota
April 27, 2021



**Independent Auditor's Report on Compliance for the Major Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors
East River Legal Services Corporation
Sioux Falls, South Dakota

Report on Compliance for the Major Program

We have audited East River Legal Services Corporation's (the Organization's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on East River Legal Services Corporation's major federal program for the year ended December 31, 2020. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Organization's compliance.

Opinion on the Legal Services Corporation Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as finding 2020-002, that we consider to be a significant deficiency.

East River Legal Services Corporation's Response to Finding

The Organization's response to the finding identified in our audit are described in the accompanying schedule of findings and responses. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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



Sioux Falls, South Dakota
April 27, 2021

East River Legal Services Corporation
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Basic Field Grant	09-542026
Technology Initiative Grant	09-542026
COVID-19 Response Grant	09-542026
COVID-19 Telework Capacity Building Grant	09-542026
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

**2020-001 Preparation of the Schedule of Expenditures of Federal Awards
Significant Deficiency**

Criteria: Proper controls over the preparation of the schedule of expenditures of federal awards (SEFA) include an adequate process to provide guidance in order to identify expenditures required to be included.

Condition: The Organization included the Paycheck Protection Program (PPP) Loan expenditures on the SEFA.

Cause: The Organization did not have the necessary guidance to determine that the expenditures related to the PPP loan are excluded from the SEFA.

Effect: Inadequate controls over the preparation of the SEFA could result in the reasonable possibility that the Organization would not be able to prepare the SEFA that is materially correct without the assistance of the auditors.

Recommendations: Management and the Board should continually be aware of ongoing updates from the federal government for funding from federal programs that is received by the Organization.

Views of Responsible Officials: We are in agreement.

Section III – Federal Award Findings and Questioned Costs

**2020-002 Legal Services Corporation
CFDA #09-542026 Legal Services Corporation – Basic Field Grant
CFDA #09-542026 Legal Services Corporation – COVID-19 Response Grant**

**Activities Allowed and Allowable Costs - Payroll
Significant Deficiency in Internal Control over Compliance**

Criteria: 2 CFR 200.303(a) and 45 CFR 1635 establishes that the auditee must establish and maintain effective internal control over the federal award that provides assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and conditions of the federal award.

Condition: There were four reportable instances within testing of payroll where hours reported in Legal Server did not agree to the hours included on the allocation spreadsheet. Payroll hours allocated to the applicable grant programs drives the monthly indirect cost allocation. The Legal Server hours were correct and direct payroll charged to the LSC grants was correct.

Cause: There was a lapse in oversight of the internal control process ensuring payroll hours used for purposes of indirect allocation calculations agreed to the Legal Server hours.

East River Legal Services Corporation
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Effect: Lack of compliance with designed internal controls could result in the indirect expenses allocated to the Legal Services Corporation grant to be understated or overstated.

Questioned Costs: None reported

Context/Sampling: A nonstatistical sample of five payrolls out of 22 pay periods. Pay periods reimbursed by the PPP loan were excluded from testing.

Repeat finding from Prior Year: No

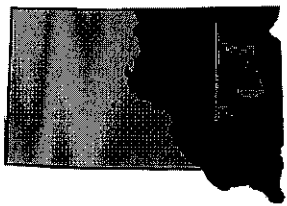
Recommendations: We recommend the Organization implement a review process to ensure payroll hours on the allocation spreadsheet agree to Legal Server hours to ensure the indirect expenditures are computed accurately.

View of Responsible Officials: Management is in agreement.



Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
December 31, 2020

Prepared by Management of
EAST RIVER LEGAL SERVICES



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2019-001

Initial Fiscal Year Finding Occurred: 2008

Finding Summary: Eide Bailly LLP prepared our financial statements, the schedule of expenditures of Legal Services Corporation federal awards, and accompanying notes to the financial statements.

Responsible Individuals: Brent Thompson, Executive Director and Kim Poitra, Chief Financial Officer.

Corrective Action Plan: ERLS revised the duties of the Chief Financial Officer position in the Accounting Manual. Each year, this position will prepare the draft financial statements, the schedule of expenditures of Legal Services Corporation federal awards, and accompanying notes to the financial statements.

Status: Completed

CORRECTIVE ACTION PLAN

Finding 2020-001

Finding Summary: The Organization included the Paycheck Protection Program loan expenditures on the SEFA.

Responsible Individuals: Brent Thompson, Executive Director and Kim Poitra, Chief Financial Officer.

Corrective Action Plan: The responsible individuals will follow available guidance in preparing the SEFA. Preparation and approval procedures of the SEFA will be updated in the accounting manual.

Anticipated Completion Date: The Chief Financial Officer will prepare the SEFA with review by the Executive Director and Audit & Finance Committee. Duties will be completed annually starting with the December 31, 2021 audit.

Finding 2020-002

***Federal Agency Name:* Legal Services Corporation**

***Program Name:* LSC Basic Field Grant**

***CFDA#:* 09-542026**

Finding Summary: There were three reportable instances within testing of payroll where hours reported in Legal Server did not agree to the hours included on the allocation spreadsheet. Payroll hours allocated to the applicable grant programs drives the monthly indirect cost allocation. The Legal Server hours were correct and direct payroll charged to the LSC grants was correct.

Responsible Individuals: Brent Thompson, Executive Director and Kim Poitra, Chief Financial Officer.

Corrective Action Plan: Additional procedures in monitoring timekeeping were implemented in August 2020 upon hiring a Staff Accountant. These include monitoring timekeeping daily/following up with issues and using a spreadsheet template to verify timeslips with Legal Server each week after Legal Server is closed. In addition, timeslip and Legal Server hours were added to the Payroll Summary template in April 2021 to ensure paystub, Legal Server, and timeslip hours matched. Management oversight ensures these additional procedures are performed with weekly timekeeping reviews between the Chief Financial Officer and Staff Accountant which started in August 2020. In addition, the CFO and ED ensure the additional information is added to the payroll summaries upon their reviews.

Completion Date: August 2020 and April 2021

SOUTH DAKOTA COMMISSION ON EQUAL ACCESS TO OUR COURTS

East River Legal Services

Current Year Funding - 2021

Funding Source	Amount	Purpose
LSC Grant Award	\$487,433.00	General Field Grant
LSC Rural Summer Legal Corp	\$ 5,000.00	Summer fellowship
Bush Foundation Grant	\$ 56,500.00	Housing retention specialist program
2 nd Judicial Bar Foundation	\$ 25,000.00	Unrestricted funding
Older Americans Grant	\$ 59,111.00	Older American cases
Unrestricted Contributions	\$ 73,500.00	Fundraising - utilize as funding match for specific grants
State of SD - CEAC	\$ 65,000.00	Veterans and supplement existing unrestricted funds
State of SD - VOCA	\$884,500.00	VOCA Grant
State of SD - FVPSA Grant	\$ 5,976.00	Funding for COVID-19 related purchases
Technology Contract - A2J	\$25,800.00	Tech services provided state-wide web page maintenance
State of SD - ERA2 Contract	\$93,500.00	Emergency rental assistance funding - CARES funding

Total Current Year Revenue: \$1,781,320.00

East River Legal Services Corporation
Statement of Financial Position
As of December 17, 2021

	<u>Dec 17, 21</u>	<u>Dec 17, 20</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
00-1000 · General Checking	1,574.46	1,155.89	418.57	36.21%
00-1010 · Petty Cash	4.10	4.10	-	0.0%
00-1011 · Draw Acct - Court House	200.00	200.00	-	0.0%
00-1015 · Contributions/Donations	21,292.96	792.50	20,500.46	2,586.81%
00-1020 · Client Trust Basic	1,199.97	1,199.97	-	0.0%
00-1030 · Payroll Checking	5,292.75	730.26	4,562.49	624.78%
00-1070 · MM Savings - SF	46,338.59	2,866.72	43,471.87	1,516.43%
Total Checking/Savings	<u>75,902.83</u>	<u>6,949.44</u>	<u>68,953.39</u>	<u>992.22%</u>
Accounts Receivable	127,324.57	130,486.47	(3,161.90)	-2.42%
Other Current Assets	<u>31,448.37</u>	<u>18,583.46</u>	<u>12,864.91</u>	<u>69.23%</u>
Total Current Assets	<u>234,675.77</u>	<u>156,019.37</u>	<u>78,656.40</u>	<u>50.42%</u>
Fixed Assets	<u>178,392.13</u>	<u>101,282.59</u>	<u>77,109.54</u>	<u>76.13%</u>
TOTAL ASSETS	<u>413,067.90</u>	<u>257,301.96</u>	<u>155,765.94</u>	<u>60.54%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities	208,977.69	78,907.87	130,069.82	164.84%
Long Term Liabilities	-	169,946.87	(169,946.87)	-100.0%
Total Liabilities	<u>208,977.69</u>	<u>248,854.74</u>	<u>(39,877.05)</u>	<u>-16.02%</u>
Equity	<u>204,090.21</u>	<u>8,447.22</u>	<u>195,642.99</u>	<u>2,316.06%</u>
TOTAL LIABILITIES & EQUITY	<u>413,067.90</u>	<u>257,301.96</u>	<u>155,765.94</u>	<u>60.54%</u>

East River Legal Services Corporation
Statement of Financial Income and Expense
As of December 17, 2021

Ordinary Income/Expense

Income

10-4000 · LSC Grant Awards	487,433.00
10-4003 · LSC RSLC	5,000.00
10-4200 · Interest Income	0.74
30-4000 · Older Americans Grant Award	54,611.10
40-4050 · Unrestricted Contributions	73,269.00
45-4000 · Bush Foundation Grant	49,848.67
55-4000 · Equal Access to Courts (CEAC)	25,000.00
75-4000 · State of South Dakota	898,632.45
80-4000 · TIG State Funding	23,650.00
90-4000 · Donated Services	42,497.08

Total Income

1,659,942.04

Gross Profit

1,659,942.04

Expense

10-5025 · Intake Specialists	114,916.36
10-5040 · Client Services Professionals	73,100.61
10-5050 · Lawyers Salaries	489,346.45
10-5070 · Paralegal Salaries	103,026.92
10-5075 · Resource Development	51,063.48
10-5080 · Tech Salaries	48,912.23
10-5095 · Finance Professionals	136,534.83
10-5140 · Employee Benefits	17,712.67
10-5155 · Payroll Expenses	81,687.04
10-5160 · Employee Group Insurance	102,139.59
10-5200 · Volunteer Services	42,497.08
10-5250 · Audit Contract Services	22,425.00
10-5260 · Accounting Contract Services	3,140.00
10-5270 · Program Contract Services	5,055.00
10-5275 · Cleaning Contract Services	9,450.00
10-5285 · Client Services	1,113.07
10-5290 · Translation Services	3,818.53
10-5300 · Program Travel	28,281.74
10-5310 · Program Lodging	14,685.05
10-5320 · Training	20,452.10
10-5325 · Program Meals	7,278.81
10-5350 · Rent	85,888.00
10-5360 · Rent / Lease Equipment	5,951.42
10-5380 · Utilities	879.43
10-5400 · Office Supplies	7,089.12
10-5545 · Office Equipment < \$1K	7,014.16
10-5546 · Software	37,621.30

East River Legal Services Corporation
Statement of Financial Income and Expense
As of December 17, 2021

10-5550 • Telephone	5,504.80
10-5560 • Internet	1,487.03
10-5570 • Postage	3,830.04
10-5630 • Professional Dues - Staff	5,652.26
10-5640 • Dues & Membership - Business	6,167.42
10-5650 • Business Insurance Expense	6,810.15
10-5740 • Security	406.89
10-5750 • Library Maintenance	6,294.63
10-5855 • Fundraising Expenses	917.03
10-5990 • Advertising	15,607.04
10-5991 • Misc - Interest, Fees, Other	581.47
10-5992 • Bush Foundation Unmet Needs	3,158.50
60-5700 • Depreciation Expense	41,450.00
Total Expense	1,618,947.25
Net Ordinary Income	40,994.79
Other Income/Expense	
Other Expense	
COVID 19 EXPENSE	966.00
60-5095 • CARES Expense	-
Total Other Expense	966.00
Net Other Income	(966.00)
Net Income	40,028.79

**East River Legal Services
FY21 Operating Budget
Board Approved on March 10, 2021**

FY21 Budget Summary	Equal Access to Courts	FVPSA	LSC	OA	PAI	Property	Bush Contract	TIG State	Contributions	VOCA	TOTAL	% of Rev. Exp	FY20 Prelim / Unaudited	FY21 Budget vs FY20 Prelim	Commentary
Anticipated Beg Fund Bal FY21	52,522	0	0	9,040	0	115,123	0	0	(52,480)	0	124,205		39,417	84,786	FY20 beg bal: Contributions deficit = (124,854) / CEAC = 28K
Income															
10-4000 - LSC Grant - Basic Field	0	0	447,960	0	39,473	0	0	0	0	0	487,433	24.76%	451,316	26,117	5.7% incr from FY20
10-4000 - LSC Grant - TIG	0	0	0	0	0	0	0	0	0	0	0	0.00%	15,000	(15,000)	Milestones completed July 2020
10-4000 - LSC Grant - COVID-19	0	0	0	0	0	0	0	0	0	0	0	0.00%	25,000	(25,000)	Fully expended Dec FY20
10-4000 - LSC Grant - Telework	0	0	0	0	0	0	0	0	0	0	0	0.00%	16,100	(16,100)	Fully expended Oct FY20
10-4200 - Interest Income	0	0	5	0	0	0	0	0	0	0	5	0.00%	3	2	
30-4000 - Older Americans Grant	0	0	0	59,523	0	0	0	0	0	0	59,523	3.05%	32,702	26,821	Decrease in FY20 due to cases qualifying under LSC COVID-19
40-4050 - Unrestricted Contributions	0	0	0	0	0	0	0	0	96,000	0	96,000	4.55%	78,984	18,016	20.3% incr from FY20: FY18 = 49K / FY19 = 60K which was a 22% incr
75-4000 - Equal Access to Our Courts	50,000	0	0	0	0	0	0	0	0	0	50,000	2.54%	115,093	(65,093)	Not including any class action funds / possible decreases in fees
75-4000 - VOCA	0	0	0	0	0	0	0	0	1,088,987	0	1,088,987	58.32%	493,071	595,916	FY22 grant 4.0% incr from FY21/current grant
75-4000 - FVPSA	0	5,976	0	0	0	0	0	0	0	0	5,976	0.30%	3,833	2,143	Grant runs July 2020 - June 2021
80-4000 - TIG State Funding	0	0	0	0	0	0	0	25,800	0	0	25,800	1.31%	7,100	18,700	New contracts / DPLS did not renew in FY20
85-4000 - BUSH Contract	0	0	0	0	0	0	116,056	0	0	0	116,056	5.90%	7,100	116,056	2-year grant; runs through Nov 2022
90-4000 - Bonded Services	0	0	0	0	30,525	0	0	0	0	0	30,525	2.01%	35,912	(5,387)	Offer with Volunteer Staff expense / credit for PAI
Total Income	50,000	5,976	447,965	59,523	70,099	0	116,056	25,800	95,000	1,097,987	1,988,416	100.00%	1,284,115	684,300	Pro Bond hours starting in FY20
PAI % of LSC Basic Field Grant	2.5%	0.3%	22.8%	3.0%	3.5%	0.0%	5.9%	1.3%	4.8%	55.6%	100.0%				
PAI % from Salaries, Benefits, Indirect Costs					56.31%										LSC requires 12.50% of Basic Field
PAI % from Contract Services					0.00%										Moving towards a Pro Bono Program
PAI % from Pro Bono Hours					43.69%										No more contracting out for low fee
															Started Pro Bono Program in FY20
Expense															
Total Salaries	61,150	0	297,222	44,499	26,250	0	67,544	17,787	0	688,080	1,202,530	62.61%	821,850	380,680	Additions: 1 Attorney, 1 Paralegal, 1 Res Dev, 1 VOCA Grant Mgr, 2 Social Workers
10-5140 - Employee Benefits	597	0	2,900	434	266	0	659	174	0	6,713	11,732	0.61%	10,665	1,066	10% increase: EAP started FY21
10-5155 - Payroll Expenses	4,980	0	24,253	3,631	376	0	5,512	1,451	0	56,147	98,126	5.11%	67,258	30,869	Maintains 8.17% of total salaries
10-5160 - Volunteer Group Insurance	5,198	0	25,264	3,782	2,231	0	6,741	1,512	0	58,487	102,215	5.32%	80,517	21,698	Add'l staff: % of total sal: FY20 = 8.5% and FY21 = 9.8%
10-5160 - Volunteer Staff	0	0	0	0	30,605	0	0	0	0	9,000	39,605	2.00%	35,912	3,693	PAI estimated
10-5250 - Audit Contract Services	1,289	0	6,315	945	556	0	0	378	0	14,820	24,115	1.26%	16,900	7,215	Add'l due to single audit
10-5260 - Accounting Contract Services	113	0	550	82	49	0	0	33	0	1,273	2,100	0.11%	11,056	(8,959)	External bookkeeping svc ends - March 2021
10-5270 - Program Contract Services	1,347	0	6,547	980	578	0	0	0	0	15,156	25,000	1.30%	40,714	(15,714)	Fees associated with cases
15-5275 - Cleaning Contract Services	517	4,062	514	376	222	0	3,758	9,600	0	4,689	4,689	0.50%	4,689	4,911	Increase air filters planning to purch
10-5280 - Consulting Services	269	0	1,309	196	116	0	0	78	0	3,031	5,000	0.26%	2,509	2,491	HR services
10-5290 - Translation Services	0	0	3,750	0	0	0	0	0	0	11,250	15,000	0.73%	880	14,120	Utilize add'l trans svcs (Annulene Line, IS)
10-5300 - Program Travel	50	0	2,250	10	170	0	0	0	0	3,120	34,570	0.75%	10,918	23,652	Utilize add'l trans svcs (Annulene Line, IS)
10-5310 - Program Lodging	0	0	1,725	0	215	0	0	0	0	15,185	24,120	1.26%	3,843	20,277	Attorney's 1st Inmate Outreach Specialist at Aberdeen 2 times/month - VOCA funds (Vitality)
10-5320 - Training	0	0	6,550	0	0	0	0	0	0	18,275	28,625	0.70%	4,531	20,298	Aberdeen 2 times/month - VOCA funds (Vitality)
10-5620 - Meals	0	0	3,550	0	100	0	0	0	0	7,550	9,000	0.47%	1,934	7,066	NEADA (10 person)
10-5250 - Rent	4,886	0	23,751	3,556	2,098	0	0	1,421	0	54,984	90,696	4.72%	78,032	12,664	Add'l space
Aberdeen Rent	0	0	0	0	0	0	0	0	0	3,000	3,000	0.16%	924	3,000	Annual Aberdeen
10-5360 - Rent / Lease Equipment	304	0	1,477	221	130	0	0	88	0	3,419	5,640	0.29%	4,716	924	
10-5380 - Utilities	53	0	250	39	23	0	0	15	0	599	889	0.05%	762	227	
10-5390 - Technology	2,101	0	10,214	1,529	902	0	0	611	0	23,547	39,006	2.03%	36,028	2,977	See separate budget by month
10-5550 - Telephone	292	0	1,419	212	125	0	0	85	0	3,286	5,420	0.28%	4,602	818	
10-5600 - Internet	108	0	524	78	46	0	0	31	0	1,212	2,000	0.10%	1,308	692	
10-5570 - Postage	377	0	1,833	274	162	0	0	110	0	4,244	7,000	0.36%	2,926	4,071	Add'l staff/raises
10-5600 - Office Expense	539	1,914	705	392	231	0	0	157	0	6,062	10,000	0.50%	8,208	1,792	Add'l staff/raises
10-5650 - Insurance Expense	404	0	1,964	294	173	0	0	118	0	4,547	7,500	0.39%	7,166	334	
10-5750 - Library Maintenance	269	0	1,309	196	116	0	0	78	0	3,031	5,000	0.26%	4,491	509	
10-5780 - Repairs & Maintenance	135	0	695	98	58	0	0	39	0	1,516	2,500	0.13%	25	2,475	Not capitalized expenses
10-5850 - Dues & Memberships	512	0	2,488	372	220	0	0	149	0	5,759	9,500	0.49%	8,738	761	
10-5855 - Fundraising Expense	0	0	1,500	0	0	0	0	0	0	0	1,500	0.06%	299	1,201	
10-5980 - Advertising	1,078	0	5,237	784	463	0	3,500	313	0	12,125	23,900	1.22%	4,177	19,323	Aberdeen office / additional outreach

East River Legal Services
FY21 Operating Budget
Board Approved on March 10, 2021

FY21 Budget Summary	Equal Access to Courts	FVPSA	LSC	OA	PAI	Property	Bush Contract	TIG State	Contributions	VOCA	TOTAL	% of Rev / Exp	FY20 Prelim / Unaudited	FY21 Budget vs FY20 Prelim	Commentary
10-5991 - Misc - Interest, Fees, Other	0	0	0	0	0	0	0	0	1,000	0	1,000	0.05%	4,900	(3,880)	This acct reserved for SD Bar Loan interest + misc fees; FY20 included some fees related to cases
10-5600 Bush Foundation Unmet Needs	0	0	0	0	0	0	33,111	0	0	0	33,111	1.72%	33,111	65% of total grant funds	
60-5700 - Depreciation Expense	0	0	0	0	0	45,903	0	0	0	0	45,903	2.39%	40,032	5,872	Additl furniture, laptops, cabling
Total Expense	86,588	5,976	436,835	62,374	66,884	45,903	116,066	25,171	1,000	1,071,227	1,920,624	37.38%	1,320,673		
Net Revenue (Deficit) Over Expenditures	4.5%	0.3%	22.7%	3.3%	3.6%	2.4%	6.0%	1.3%	0.4%	55.8%	100.0%				
Prior to Other Rev/Exp	(36,588)	0	11,130	(3,451)	1,215	(45,903)	-	629	94,000	26,760	47,792		(35,558)		
Other Income - Paycheck Protection															
Other Expense CARES Act - FFCRA															
Net Revenue (Deficit) Over Expenditures after Other Rev	(36,588)	0	11,130	(3,451)	1,215	(45,903)	-	629	94,000	26,760	47,792		131,600		
													-2,429		
													32,614		
Furniture Purchase (Jan/Feb)	943	0	8,482	1,128	945	(24,616)	0	1,638	1,831	20,314	0	0.00%	1,000	(1,040)	Jan/Feb
Laptop Purchase throughout year	203	0	1,820	242	202	(7,438)	0	105	385	(4,460)	0	0.00%	9,048	(9,048)	Laptops purch throughout yr
Household Improvements	68	0	857	181	67	(2,479)	0	35	125	(1,467)	0	0.00%	29,854	(29,854)	Cabling, internet, space (Jan)
Net Rev (Deficit) Over Expenditures After Asset Purchases	(37,906)	0	212	(4,901)	0	(1,397)	0	0	91,685	(0)	47,792		42,661		
Ending Fund Balance	2,925	0	212	4,139	0	113,726	0	0	33,205	(0)	171,997		52,078		
LSC % Fund Balance Carryover - cannot exceed 10%															
Assets with Donor Restriction:	4,351														
Assets with Donor Restriction:	4,351														
Property	113,726														
Total Net Assets	171,997														
Diff	(0)														



SOUTH DAKOTA DEPARTMENT OF REVENUE

445 East Capitol Avenue • Pierre, SD 57501
(605) 773-3311 • dor.sd.gov

June 29, 2020

EAST RIVER LEGAL SERVICES CORPORATION

Attn: ^

335 N MAIN AVE STE 300
SIOUX FALLS SD 57104

RE: South Dakota Exempt Sales Tax Status

Dear EAST RIVER LEGAL SERVICES CORPORATION:

Based on the information supplied, and assuming your operation will be as stated in your application for exemption, we have determined your organization is exempt from sales tax under Section 10-45-10 of the South Dakota Codified Laws as a Relief Agency.

You have been assigned exemption number 1011-8303-RA exemption identification, which you may provide to vendors along with an exemption certificate. The enclosed certificates should be duplicated and provided to each vendor.

This exemption is limited to purchases billed to and paid for directly from agency funds. This exemption does not extend to sales or purchases of tangible personal property for the personal use of officials, members or employees of such agency; or sales or purchases used in the operation of a taxable retail business.

Should the nature of your organization change in any manner or if there are changes or alterations in your sources of funding or financing, you must immediately notify the Department of Revenue. Your exempt status may become immediately null and void and re-application for relief agency status will be necessary.

If you have any questions concerning this exempt status, please contact this office.

Sincerely,

Doug Schinkel
Director
Business Tax Division

Enclosure

EAST RIVER LEGAL SERVICES CORPORATION
EAST RIVER LEGAL SERVICES
335 N MAIN AVE STE 300
SIOUX FALLS, SD 57104

June 29, 2020

Below is your current South Dakota tax license.

Please review this card. Please contact our department if there are any changes in ownership, names, or addresses.

If you have a Streamlined sales tax license any changes must be made through the Streamlined Registration System.

Website: <http://dor.sd.gov>
SD EPath: <http://dor.sd.gov/EPath>

Taxpayer Assistance Number: 1.800.829.9188
Email: bustax@state.sd.us

Streamlined Sales Tax Website: www.streamlinedsalestax.org



<http://dor.sd.gov>

Having made proper application therefore, and upon compliance with all applicable laws and regulations of the state of South Dakota, this license is hereby issued to the below named. This license remains the property of the state of South Dakota and while in possession of the person to whom issued, entitles the licensee to transact whatever business or activity is specified on this license, until this license expires or is cancelled.

ISSUE DATE: 12/31/1990

EXPIRATION DATE: 05/26/2025

LICENSE NUMBER: 1011-8303-RA

LICENSE TYPE: Relief Agency

ISSUED TO:

EAST RIVER LEGAL SERVICES CORPORATION
335 N MAIN AVE STE 300
SIOUX FALLS, SD 57104

EAST RIVER LEGAL SERVICES
335 N MAIN AVE STE 300
SIOUX FALLS, SD 57104

A handwritten signature in black ink that reads "Jim Terwilliger". The signature is written in a cursive style with a large, stylized "J" and "T".

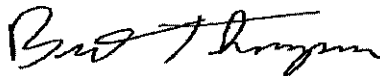
Jim Terwilliger
Secretary of Revenue

NON-TRANSFERABLE

SOUTH DAKOTA COMMISSION ON EQUAL ACCESS TO OUR COURTS
Summary Sheet

Legal Name of Organization	East River Legal Services
Mailing Address	335 N. Main Ave. Suite 200, Sioux Falls, SD 57104
Telephone Number	(605) 336 - 9230
Website	www.erlservices.org
Director	Brent Thompson
Director's Email Address	brent@erlservices.org
Application Contact & Title	Kim Poitra, Chief Financial Officer
Application Contact's Email Address	Kim@erlservices.org
Mission Statement	Advancing equal justice for our most vulnerable citizens in eastern South Dakota.
Geographic Area Served (Specific to this Proposal)	The 33 eastern South Dakota counties.
Number of Full-Time Employees	23
Number of Part-Time Employees	0
Type of Grant Requested (General Operating Support; Program Support; Capital Request; or Other)	Program support
Amount of Request	\$40,000
For requests other than general operating support, summarize what the grant will be used for	Veteran's legal services / General operating expenses
Applicant's Current Budget for Fiscal Year Ending:	
Income	\$1,968,416
Expenses	\$1,920,624
If other than a general operating request: Dates: From _____ To _____	
Program or Capital Budget:	Income \$ _____ Expenses \$ _____

By signing below, I certify that the information contained in this application is true and correct to the best of my knowledge.



12/14/2021

Executive Director

Date

Board Member	City	State	Zip	Telephone	E-mail Address	Officer	Member
Sara Kindvall	Sioux Falls	SD	57106	(605) 370-2442	sikindvall@gmail.com		Client
Jessica Niedert	Sioux Falls	SD	57103	(605) 351-7500	jessley@yahoo.com	Vice Pres.	Client
Ken Teunissen	Sioux Falls	SD	57106	(605) 274-3320	purpleheartone@outlook.com		Client
Sarah Knutson	Sioux Falls	SD	57103	(605) 728-6174	balancelifemassage@yahoo.com		Client
Sister Patrick Leonard Murphy	Sioux Falls	SD	57103	(712) 209-1271	patrick.murphy@avera.org		Client
Kim Dorsett	Aberdeen	SD	57402	(605) 225-6310	kdorsett@rwsh.com		Attorney
Melissa Fiksdal	Crooks	SD	57020	(605) 679-6352	melissa@jeffarsonlaw.net	Treasurer	Attorney
Kelli Collinsworth	Vermillion	SD	57069	(605) 658-3538	Kelli.Collinsworth@usd.edu		Attorney
Dan Fritz	Sioux Falls	SD	57103	(605) 978-5205	fritzdd@ballardspahr.com		Attorney
Jeff Shultz	Sioux Falls	SD	57104	(605) 978-0643	Jeff.Shultz@woodsfuller.com	President	Attorney
Timothy Cummings	Watertown	SD	57201	(605) 886-5812	tim@grolawfirm.com		Attorney
James Taylor	Mitchell	SD	57301	(605) 996-3882	taylor@tmlawsd.com		Attorney
Anthony Teesdale	Brookings	SD	57006	(605) 692-1818	anthonyteesdale@sdakotalaw.com		Attorney