



**Legal Aid of Arkansas**  
**Board of Directors Meeting**  
**Saturday, March 30, 2019**  
**9:00 A.M.**

Legal Aid of Arkansas Conference Room  
310 Mid-Continent Plaza, Suite 420  
West Memphis, AR 72301

# Legal Aid of Arkansas Board Packet-Table of Contents

Page 1	Cover Sheet
Page 2	Table of Contents
Page 3	Meeting Announcement Letter
Page 4	Conference Call Instructions
Page 5	Meeting Location Directions
Page 6	Agenda
Page 7-10	Search/Appointment/Nominations Committee Minutes
Page 11	Diversity Report
Page 12-14	Board of Directors List
Page 15-22	December 8, 2018 Board Meeting Minutes
Page 23-24	Audit Communications Letter
Page 25-28	Audit Management Representation Letter
Page 29-57	2018 Financial Report (Audit)
Page 58-61	Office Safety Committee Update Report
Page 62-95	Form 990 Tax Return
Page 96-98	Financial Report
Page 99-103	2019 Financial Eligibility Guidelines
Page 104	Medicaid Community Forum Flyer
Page 105	Financial Account Update
Page 106-111	Directors Report
Page 112-115	Case Statistical Report for 2018
Page 116-117	Organizational Chart and Office Directory

Full Packet and updates are published at <http://arlegalaid.org/board-packet.html>

**LEGAL AID** of ARKANSAS  
Equal Access to Justice

TOLL FREE  
**1-800-967-9224**

TELEPHONE  
**1-870-972-9224**

HELPLINE  
**1-800-952-9243**

[www.arlegalaid.org](http://www.arlegalaid.org)

**Arkansas Children's Hospital**  
1 Children's Way, Slot 695  
Little Rock, AR 72202-3500  
501-978-6479 – Fax

**Harrison**  
205 W. Stephenson Ave.  
Harrison, AR 72601  
800-967-9224 – Fax

**Helena-West Helena**  
622 Pecan  
Helena, AR 72342  
870-338-9834 – Fax

**Jonesboro**  
714 South Main Street  
Jonesboro, AR 72401  
870-910-5562 – Fax

**Newport**  
202 Walnut Street  
Newport, AR 72112  
870-523-9892 – Fax

**Springdale**  
1200 Henryetta  
Springdale, AR 72762  
479-751-0002 - Fax

**West Memphis**  
310 Mid Continent Plaza  
Suite 420  
West Memphis, AR 72301  
870-732-6373 – Fax

March 20, 2019

RE: Board of Directors Meeting

Dear Board Member:

The Legal Aid of Arkansas Board of Directors will meet at **9:00 a.m.** Saturday, March 30<sup>th</sup> at the Legal Aid of Arkansas West Memphis office located at 310 Mid-Continent Plaza, Suite 420, West Memphis, AR 72301. Board members may also participate by conference call using the attached instructions. Lodging on Friday night is provided for those that must travel an hour or more. Please contact me if you wish me to take care of lodging arrangements on your behalf.

In an effort to reduce the cost of postage and the amount of paper used to distribute materials for discussion at the Board meeting, the documents have been posted online and are being mailed only to Board members who might not have internet access or have requested they be mailed. To access the online documents, go to <http://arlegalaid.org/board-packet.html>.

If you have any questions or prefer to have a packet mailed to you, please contact me by phone at 1-800-967-9224, x4311, or by e-mail at [eking@arlegalaid.org](mailto:eking@arlegalaid.org).

Sincerely,



Elizabeth King  
Administrative Assistant/HR Manager

## **PARTICIPATING BY CONFERENCE CALL/GO TO WEBINAR**

Dial 1-866-625-9936

Enter Guest Pin 21154265#

*Following are some guidelines to make a conference call run smoothly:*

- **Call in/log in a little early.** Call in a few minutes prior to the scheduled conference call time to eliminate a last minute rush.
- **Identify yourself.** Make sure to state your name clearly before speaking or voting since the meeting minutes must identify speakers.
- **Speak loudly and clearly.** You will need to speak more loudly than you would in a regular person-to-person conversation.
- **Request the Board Chair's acknowledgement.** To ensure that you are heard when you have something to say, ask the Board Chair for the floor. After you are acknowledged, you can be sure that you are being heard.
- **If you can't hear someone, speak up and let the Board Chair know.**

The board packet has been posted online. To access the online documents, go to <http://arlegalaid.org/board-packet.html> .

## DIRECTIONS

The board meeting will be held at the Legal Aid of Arkansas offices located at 310 Mid-Continent Plaza, Suite 400, West Memphis, Arkansas 72301.



### **From I-40:**

Take Rich Road/Missouri Street Exit (#276).

Turn left on Service Road (Highway 77).

Travel east 0.6 miles to Mid-Continent Building.

Legal Aid of Arkansas is located on 4th floor immediately across from the elevator.

### **From I-55:**

Take Missouri Street Exit (#7).

Turn right on Service Road (Highway 77).

Travel west one more block to Mid-Continent Building.

Legal Aid of Arkansas is located on the 4th floor immediately across from the elevator.



**PROPOSED AGENDA**  
**BOARD OF DIRECTORS MEETING**  
**March 30, 2019**

1. Call to Order (Board Chair or Designee)
2. Search, Appointments, Nominations Committee (Ms. Thacker)
  - i. Acceptance of New Board Member(s)
  - ii. Election of Officers
  - iii. Committee Assignments
3. Approval of Minutes of December 8, 2018 Meeting (Board Chair or Designee)
4. 2018 Independent Audit Report (Yoakum, Lovell & Company)
5. Financial Report (Mr. Bowman)
6. 2019 Financial Eligibility Guidelines (Mr. Richardson)
7. Financial Accounts Update (Ms. King, Mr. Bowman)
8. Economic Justice Group Update (Mr. DeLiban)
9. Director's Report (Mr. Richardson)
10. Executive Session (Board Chair or Designee)
11. Personnel Committee Report (Mr. Price)
12. Time and Location of June, 2019 Board Meeting (Board Chair or Designee)
13. Old/New Business (Board Chair or Designee)
14. Adjournment (Board Chair or Designee)

**SEARCH/APPOINTMENTS/NOMINATIONS COMMITTEE**  
**MEETING MINUTES**  
**January 24, 2019**

The Search/Appointments/Nominations Committee of the Legal Aid of Arkansas Board of Directors met by conference call at 9:00 a.m. Thursday, January 24, 2019. Participating in the conference call were Lori Chumbler, Niki Cung, Helen Jenkins, Ashlie Thacker, Lee Richardson and Elizabeth King.

Ms. Thacker called the meeting to order.

Mr. Richardson presented the annual Diversity Report.

A motion was made by Lori Chumbler, seconded by Ashlie Thacker to accept the Diversity Report as presented. The motion carried with none opposed.

Mr. Richardson stated that we have seven member terms that are expiring. He stated that Neal Burns was nominated by the Greene County Bar Association and he has let us know that he would be willing to continue. He stated that Mr. Burns usually participates in the board meetings by phone. He stated that Mr. Burns would talk to the bar president to see if they wanted to appoint someone new or if they would like to reappoint him to serve. Mr. Richardson stated that he would follow up. He further stated that Ms. Chumbler is willing to continue and he would contact the president of the Benton County Bar Association to seek a reappointment for her. Mr. Richardson stated that Val Price has indicated that he is willing to continue and he will contact the Craighead County Bar Association to a reappointment. He stated that Ms. Faye Reed and Ms. Thacker have both indicated that they would like to continue to serve so he will make the contacts for those reappointments. Mr. Richardson stated that Mr. Blackmore was appointed by NADC in Batesville and for about the last year we have been unable to contact Mr. Blackmore. He stated that we need a client eligible board member from the North Central area and he will try to solicit a new appointment from one of the community action agencies to fill that slot. He stated that Mary Hoshall Hodges in the past three years was on one call and we have not actually ever seen her in person. He stated that he will go back to Cross and St. Francis County and solicit an appointment of someone who may be more engaged.

After some discussion, the committee decided to move forward as follows:

Dennis Blackmore – Seek new appointment  
Neal Burns – Seek reappointment letter  
Lori Chumbler – Seek reappointment letter  
Mary Hoshall Hodges - Seek new appointment  
Val Price – Seek reappointment letter  
Faye Reed – Seek reappointment letter  
Ashlie Thacker – Seek reappointment letter

A motion was made by Lori Chumbler, seconded by Niki Cung to accept the reappointments as stated. The motion carried with none opposed.

Mr. Richardson reviewed the proposed slate of officers:

Officers:

Board Chair – Lori Chumbler

Vice Chair – Pamela Haun

Treasurer – Annie Smith

Secretary – Demetre Walker

A motion was made by Niki Cung, seconded by Lori Chumbler to accept the proposed slate of officers. The motion carried with none opposed.

Mr. Richardson reviewed the committees and recommended the committees stay as they are for 2019

### **Executive Committee**

Officers plus Niki Cung and Ron Wilson

### **Personnel/Client Grievance Committee**

Lori Chumbler, Val Price, Demetre Walker, Faye Reed (Val as Chair of Committee)

### **Search/Appointments/Nominations**

Ashlie Thacker, Niki Cung, Lori Chumbler, Helen Jenkins (Ashlie as Chair of Committee)

### **Client Advisory Committee**

Client Members and Board Chair

### **Audit/Finance Committee**

Lori Chumbler, Pam Haun, Helen Jenkins, Annie Smith (Pam as Chair of Committee)

### **Standing Delivery of Legal Services/Litigation Committee**

Lori Chumbler, Steve Davis, Kachia Phillips, Annie Smith

### **Safety Committee**

Lori Chumbler, Steve Davis, Val Price, Annie Smith, Ashlie Thacker, Ron Wilson (Annie as Chair of Committee)

A motion was made by Lori Chumber, seconded by Niki Cung to accept the proposed committees. The motion carried with none opposed.



Hearing no other discussion Ms. Thacker called for a motion to adjourn.

A motion was made by Niki Cung, seconded by Lori Chumbler to adjourn the meeting. The motion carried with none opposed.

\*Presented to Board March 30, 2019

**Expiring Board  
Terms**

Dennis Blackmore  
(Community Action Programs  
- CRDC)

Neal Burns  
(Clay or Greene County or  
Blytheville Bar  
Associations)

Lori Chumbler  
(Benton County Bar  
Association)

Mary Hoshall Hodges  
(Cross, St. Francis or Woodruff  
County Barr Associations)

Val Price  
(Craighead or Poinsett  
County Bar Associations)

Faye Reed  
(Lee, Monroe or  
Phillips County Bar  
Associations)

Ashlie Thacker  
(Domestic Violence  
Service Community -  
Family Violence  
Prevention)

**Current Officers**

Lori Chumbler, Chair  
Pam Haun, Vice Chair  
Annie Smith, Treasurer  
Demetre Walker,  
Secretary

**Executive Committee**

Lori Chumbler  
Niki Cung  
Pam Haun  
Annie Smith  
Demetre Walker  
Ron Wilson

**Personnel/Client  
Grievance Committee**

Val Price (Chair)  
Lori Chumbler  
Faye Reed  
Demetre Walker

**Search/Appointments  
/Nominations  
Committee**

Ashlie Thacker  
(Chair)  
Niki Cung  
Lori Chumbler  
Helen Jenkins

**Client Advisory  
Group**

Vilma Ascencio  
Dennis Blackmore  
Ashlie Thacker  
Helen Jenkins  
Demetre Walker  
Rene Ward  
Niki Cung

**Audit/Finance  
Committee**

Pam Haun (Chair)  
Helen Jenkins  
Annie Smith  
Lori Chumbler

**Standing Delivery of  
Legal Services/  
Litigation Committee**

Lori Chumbler  
Kachia Phillips  
Steve Davis  
Annie Smith  
Staff as assigned

**Safety Committee**

Lori Chumbler  
Annie Smith (Chair)  
Val Price  
Ashlie Thacker  
Steve Davis  
Ron Wilson  
Staff as assigned

Legal Aid of Arkansas  
2019 Board Diversity

<b>Race</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Percent</b>
White	6	7	13	<b>62</b>
Black	2	4	6	<b>28</b>
Hispanic	0	1	1	<b>5</b>
Other	0	1	1	<b>5</b>
<b>Percent</b>	<b>38</b>	<b>62</b>	<b>21</b>	<b>100</b>

Legal Aid of Arkansas  
2018 Client Served Diversity

<b>Race</b>	<b>Male</b>	<b>Female</b>	<b>Trans</b>	<b>Total</b>	<b>Percent</b>
White	1284	4045	1	5330	<b>69</b>
Black	448	1285	2	1735	<b>22</b>
Hispanic	86	278	0	364	<b>5</b>
Other	130	211	0	341	<b>4</b>
<b>Percent</b>	<b>25</b>	<b>75</b>	<b>0</b>	<b>7770</b>	<b>100</b>

Legal Aid of Arkansas  
1-17-2019 Staff Diversity

<b>Race</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Percent</b>
White	10	22	32	<b>69</b>
Black	0	10	10	<b>22</b>
Hispanic	0	1	1	<b>2</b>
Other	1	2	3	<b>7</b>
<b>Percent</b>	<b>24</b>	<b>76</b>	<b>46</b>	<b>100</b>

**LEGAL AID OF ARKANSAS  
BOARD OF DIRECTORS  
2019**

	<b>POSITIONS HELD</b>	<b>APPOINTING ORGANIZATION</b>	<b>TERM BEGINS</b>	<b>TERM ENDS</b>
Vilma Asencio 2301 Anna Street Springdale, AR 72762 479-200-6978 <a href="mailto:Vasencio@outlook.com">Vasencio@outlook.com</a>	Client Advisory Committee/ Executive Committee	Worker's Justice Center Nelson Escobar 207 W. Emma Street Springdale, AR 72764 479-750-8015 479-750-1194 – Fax <a href="mailto:Nelson.wjc@gmail.com">Nelson.wjc@gmail.com</a>	01/01/18	12/31/20
Dennis Blackmore 880 Bryant Street Batesville, AR 72501 870-384-0245 <a href="mailto:denniswblackmore@gmail.com">denniswblackmore@gmail.com</a>	Client Advisory	North Central Arkansas Development Council Charlie Morris, Director P.O. Box 3349 Batesville, AR 72503 870-793-5765	01/01/16	12/31/18
Fuller Bumpers Attorney at Law P.O. Box 2496 Batesville, AR 72503 870-793-7556 <a href="mailto:fbumpers@earthlink.net">fbumpers@earthlink.net</a>		Independence County Bar Association Barrett S. Moore, President P.O. Box 2135 Batesville, AR 72501	01/01/18	12/31/20
Neal Burns 200 S. Pruett St. Paragould, AR 72450 870-239-2225 887-239-2780 – Fax <a href="mailto:b.neal.burns@gmail.com">b.neal.burns@gmail.com</a>		Greene County Bar Association Brad Broadaway, President 924 West Court Street Paragould, AR 72450 870-236-9800 870-236-4840 – Fax	01/01/19	12/31/21
Lori Chumbler Associate General Counsel Legal Administration & External Relations 702 S.W. 8th Street Bentonville, AR 72716-0215 <a href="mailto:lori.chumbler@walmartlegal.com">lori.chumbler@walmartlegal.com</a>	Board Chair/All Committees	Benton County Bar Association Tina Adcock Thomas, President 121 S. Main St. Bentonville, AR 72712 479-273-2777 479-273-1214 – Fax	01/01/16	12/31/21
Niki Cung Kutak Rock, LLP 234 East Millsap Road, Suite 400 Fayetteville, AR 72703-4099 479-973-4200 x1933 479-973-0007 – Fax 479-445-3770 – Cell <a href="mailto:niki.cung@kutakrock.com">niki.cung@kutakrock.com</a>	Executive Committee; Search/Appointments/ Nominations Committee	Washington County Bar Association Tyler Benson, President	01/01/17	12/31/19
Steven B. Davis Davis Law Firm P.O. Box 1696 Harrison, AR 72602-1696 870-741-4646 870-741-2500 – Fax <a href="mailto:davislawfirm1@outlook.com">davislawfirm1@outlook.com</a>		Boone-Newton Bar Association Brad Brown, President 212 N. Main Street, Suite B P.O. Box 298 Harrison, AR 72602	01/01/18	12/31/20

**LEGAL AID OF ARKANSAS  
BOARD OF DIRECTORS  
2019**

	<b>POSITIONS HELD</b>	<b>APPOINTING ORGANIZATION</b>	<b>TERM BEGINS</b>	<b>TERM ENDS</b>
Pamela Haun Attorney at Law P.O. Box 1700 Jonesboro, AR 72403 870-931-1700 870-931-1800 – Fax <a href="mailto:phaun@barrettdeacon.com">phaun@barrettdeacon.com</a>	Vice Chair; Executive Committee; Audit/Finance Committee (Chair)	Craighead County Bar Association Carla Rogers Nadzam, President	01/01/17	12/31/19
Helen Jenkins 389 N. Hollywood H7 Blytheville, AR 72315 870-740-3945 <a href="mailto:annjen@yahoo.com">annjen@yahoo.com</a>	Client Advisory Committee; Audit/Finance Committee; Search/Appointments/ Nominations Committee	CASA of the 2 <sup>nd</sup> Judicial District 511 Union Street, Suite 327 Jonesboro, AR 72401 870-935-1099	01/01/17	12/31/19
Kachia Phillips 1216 N. B Street Rogers, AR 72756 479-316-5569 <a href="mailto:Kachiaphillips74@gmail.com">Kachiaphillips74@gmail.com</a>	Client Advisory Committee	Goodwill Industries of Arkansas, Inc. Marty Hausam, State Reentry Program’s Manager 479-841-1200 <a href="mailto:Mhausam@Goodwillar.org">Mhausam@Goodwillar.org</a>	01/01/18	12/31/20
Donna Price Attorney at Law P.O. Box 430 Clinton, AR 72031 501-745-2283 <a href="mailto:donnapriceattorney@gmail.com">donnapriceattorney@gmail.com</a>		Van Buren County Bar Association Ralph Blagg, President	01/01/17	12/31/19
Val P. Price Attorney at Law P.O. Box 3072 Jonesboro, AR 72403-3072 870-934-9400 870-934-9400 - Fax <a href="mailto:valandleah@yahoo.com">valandleah@yahoo.com</a>	Personnel/Client Grievance Committee (Chair);	Craighead County Bar Association Matthew Modelevsky, President	01/01/19	12/31/21
Faye Reed Attorney at Law 110 Oakland Ave. Helena-West Helena, AR 72342 870-817-0235 870-995-3198 – Cell <a href="mailto:frimprove@gmail.com">frimprove@gmail.com</a>	Personnel/Client Grievance Committee;	Phillips County Bar Association Mr. Donald E. Knapp P.O. Box 630 Helena, AR 72342	01/01/19	12/31/21
Annie B. Smith Assistant Professor of Law U of A School of Law Law School Legal Clinic 1045 W. Maple Street Waterman Hall – Room 107 Fayetteville, Arkansas 72701 479-575-3056 856-979-6321 – Cell <a href="mailto:abs006@uark.edu">abs006@uark.edu</a>	Treasurer; Audit/Finance Committee	University of Arkansas School of Law Stacey Leeds, Dean Robert A. Leflar Law Center Fayetteville, AR 72701-1201 479-575-4504 479-575-3320 - Fax	01/01/18	12/31/20

**LEGAL AID OF ARKANSAS  
BOARD OF DIRECTORS  
2019**

	<b>POSITIONS HELD</b>	<b>APPOINTING ORGANIZATION</b>	<b>TERM BEGINS</b>	<b>TERM ENDS</b>
Ashlie Thacker 3608 Shelby Drive Paragould, AR 72450 870-565-0445 <a href="mailto:ashliedthacker08@gmail.com">ashliedthacker08@gmail.com</a>	Search,/Appointments/ Nominations Committee (Chair)/Client Advisory Committee	Family Crisis Center of Northeast Arkansas P.O. Box 721 Jonesboro, AR72403 870-972-9575	01/01/19	12/31/21
Curtis Walker P.O. Box 627 Blytheville, AR 72316-0627 <a href="mailto:curtisjerome@sbcglobal.net">curtisjerome@sbcglobal.net</a>		Arkansas Bar Association 2224 Cottondale Lane Little Rock, AR 72202 501-375-4606 501-375-4901 – Fax	01/01/18	12/31/20
Demetre Walker 902 N Larkspur Lane Fayetteville, AR 72704 479-587-3068 - Work 479-790-0440 - Cell	Secretary, Client Advisory Group; Personnel/Client Grievance Committee	Arkansas Support Network Lynn Donald, Program Director 6836 Isaac’s Orchard Road Springdale, AR 72762 479-927-4100 479-927-4101 – Fax	01/01/17	12/31/19
Rene Ward PO Box 3031 Forrest City, AR 72336 870-261-4309 <a href="mailto:grward72335@yahoo.com">grward72335@yahoo.com</a>	Client Advisory Committee; Search/Appointments/ Nominations Committee	East Arkansas Area Agency on Aging Monte Callicott, Executive Director 2005 E. Highland Dr. PO Box 5035 Jonesboro, AR 72403-5035 870-930-2202	01/01/17	12/31/19
Tim Watson, Jr. 209 Walnut Street Newport, AR 72112 Phone: 870-523-8420 Fax: 870-523-4639 <a href="mailto:timwatsonjrlaw@yahoo.com">timwatsonjrlaw@yahoo.com</a>		Jackson County Bar Association James McLarty Attorney at Law 114 Main Street Newport, AR 72112 870-523-2403 870-523-3630 - Fax	01/01/17	12/31/19
Kevin Watts 218 N Terry Street Wynne, AR 7296 870-318-1690 <a href="mailto:kawattslaw@gmail.com">kawattslaw@gmail.com</a>		Cross County Bar Association Kevin Watts, President	01/01/19	12/31/21
Ron Wilson P.O. Box 1299 West Memphis, AR 72303-1299 870-735-2940 870-732-0174 – Fax <a href="mailto:esquirewilson@yahoo.com">esquirewilson@yahoo.com</a>	Executive Committee	Crittenden County Bar Association Bart Ziegenhorn, President 106 Dover Road, Suite B P.O. Box 830 West Memphis, AR 72303 870-732-9100	01/01/18	12/31/20

**LEGAL AID OF ARKANSAS  
BOARD OF DIRECTOR'S MEETING  
December 8, 2018**

A meeting of the Board of Directors of Legal Aid of Arkansas was held at 9:00 a.m. Saturday, December 8, 2018 at the Craighead County Law Library.

The formal agenda was as follows:

1. Call to Order (Ms. Chumbler)
2. Minutes of September 8, 2018 Meeting (Ms Chumbler)
3. Financial Report (Mr. Bowman)
  - a. Year to Date November 30<sup>th</sup>
  - b. Balance Sheet as of November 30<sup>th</sup>
4. Audit/Finance Committee Report (Ms. Haun)
  - a. Proposed 2019 Budget (with Mr. Bowman)
  - b. Audit Agreement for 2018 Financial Year (with Mr. Richardson)
  - c. Salary Scale study (Mr. Richardson)
5. Financial Accounts Update (Ms. King)
6. Safety Committee Update (Ms. Smith)
7. 2019 Holiday Schedule (Mr. Richardson)
8. Certificate of Objective Integrity and Independence (Mr. Richardson)
9. Expiring Board Terms and 2019 Officers (Mr. Richardson)
10. Locations and Dates of 2019 Board Meetings (Mr. Richardson)
11. Case Acceptance Priorities 2019 (Mr. Richardson, Work Group Leaders)
  - a. Preamble and Special Projects (Mr. Richardson)
  - b. Consumer (Ms. Purtle)
  - c. Domestic Violence (Ms. Walker)
  - d. Economic Justice (Mr. DeLiban)
  - e. Housing (Mr. Auer)
12. Pro Bono Activities and 2019 Private Attorney Involvement Plan (Ms. Tong, Ms. Johnson)
13. Director's Report (Mr. Richardson)
14. Old/New Business (Ms. Chumbler)
15. Adjournment (Ms. Chumbler)

Present in person were Val Price and Faye Reed. Present via conference call were Vilma Asencio, Fuller Bumpers, Neal Burns, Niki Cung, Steve Davis, Helen Jenkins, Donna Price, Curtis Walker, Demetre Walker, Rene Ward, Tim Watson and Ron Wilson. Legal Aid staff in attendance in person included Lee Richardson, Executive Director; Andrea Walker, Deputy Director; Helen Gratil, Director of Mission Engagement Chief Information Officer and Trevor Hawkins, Staff Attorney. Staff present via conference call included Jason Auer, Housing Workgroup Leader/Staff Attorney; David Bowman, Fiscal Officer; Kevin De Liban, Economic Justice Workgroup Leader/Staff Attorney; Greneda Johnson, Pro Bono Manager; Elizabeth King, HR Manager/Admin Asst; Susan Purtle, Consumer Workgroup Leader/Staff Attorney and Lynda Ware, Paralegal.

Val Price called the meeting to order. He welcomed everyone and moved to item two on the agenda, Approval of Minutes of September 8, 2018 Meeting. He asked for questions regarding the minutes. Hearing none, he called for a motion.

A motion was made by Fuller Bumpers, seconded by Helen Jenkins to approve the Minutes of the September 8, 2018 Meeting. The motion carried with none opposed.

Mr. Price moved to item three on the agenda, Financial Report.

Mr. Bowman stated that he is looking at the November 2018 actuals and showing revenue to be \$2,780,000 with expenses of \$2,565,870 and revenue over expenses being \$223,670. Mr. Bowman stated that for the year we are still looking well and the only comments he has is for a few line items. He stated that expenses are higher than projections for the year and that would be due to travel, training and supplies. He stated that a lot of that is due to the statewide conference and we have had some additional people that we have hired. He stated that on those line items we have increased but we have other line items that are well under projections. He further stated that at this point non-personnel expenses are \$430,000 so we are still under budget there. He stated that the staff continues to do a very good job on watching their expenses.

Mr. Richardson stated that throughout the course of the year we get additional grants that add additional staff members and that is why income is more and at times that is why expenses are more as well. He stated that for example, we will go over the attorney approved budget by the end of December but we also received some significant funding from other sources to add those attorneys so there is usually a reason behind why something may be much higher than we projected.

Mr. Bowman stated that he would like to briefly go over the detailed balance sheet. He stated that he wanted to mention that November cash is showing \$1,346,000 as cash available, and under liabilities our deferred support has reduced. He stated that Legal Services Corporation gives us two months of funding in January so one month is deferred into November so it is down to \$80,416. He stated that our notes payable for Springdale is \$176,753 and revenue over expenses for November is \$223,670. He asked for questions.

Hearing no other discussion Mr. Price called for a motion to approve the Financial Report.

A motion was by Faye Reed, seconded by Steve Davis to approve the Financial Report. The motion carried with none opposed.

Mr. Price moved to the Audit/Finance Committee Report.

Mr. Richardson stated that Ms. Haun was unable to be on the call today. He stated that the minutes from the November 14<sup>th</sup> meeting are in the board packet. He further stated that the committee met on that date and Mr. Bowman gave an update using the October numbers and then the committee considered and approved a budget to present today for 2019. He stated that on 2019 projected revenue and expenditures you can see projected revenue is \$2.935 million and projected expenses are \$3.182 million which would put us \$246,891 in the red for 2019. He stated that we projected to be about \$10,000 in the red for 2018 and we are going to come in over \$200,000 in the black, and we have built up nearly \$1.4 million in reserve. He stated that he is comfortable asking the board to approve a budget



that shows us \$246,000 in the red because we have sufficient funds to cover that and he believes we will not be nearly that far in the red if at all at the end of 2019. He stated that in looking at income, we have projected \$20,000 on the IOLTA line and since that time the Access to Justice Foundation has allocated \$200,000 to Legal Aid of Arkansas and the Center for Arkansas Legal Services and we will get about 38% of that. He stated that the budget is always a living and breathing document and it will change as funding sources change throughout the course of the year.

Hearing no more discussion Mr. Price called for a motion.

A motion was made by Helen Jenkins, seconded by Donna Price to approve the 2019 Proposed Budget. The motion carried with none opposed.

Mr. Price moved to the Audit Agreement.

Mr. Richardson stated that this is just informational. He stated that the Audit Finance Committee also considered the audit agreement when they met. He stated that the board back in September met and voted to retain Yoakum and Lovell for the 2018 audit. He stated that the audit agreement was presented to the committee and he was authorized to sign the engagement letter and the auditors have already begun working as they were in Springdale earlier this week.

Mr. Price moved to Salary Scales.

Mr. Richardson stated that this is also informational. He stated that the salary scale was updated in 2012 and again tweaked in 2016 and that is included in the board packet. He stated that the Audit/Finance Committee agreed that we need to try to update the salary scale again and he had hoped to do that by the December board meeting but he could not get anything that he felt would fit in the budget and was fair to employees. He stated that for example, the state of Arkansas does not start any attorneys at less than \$57,000 full time attorneys and we are still starting people at \$42,000. He stated that one would have to get to year seven before you would hit what the state pays attorneys and that is why we have more attrition than we would like to have. He stated that the rest of the salary scale may not be as far behind the private market, but we have such a shortage of attorneys in Arkansas that the attorney scale is way behind the private market. He stated that therefore the Audit/Finance Committee has agreed to meet and study comparable salaries around the south and in the state of Arkansas and try to present, hopefully at the next board meeting, a salary scale that will be more palatable for our attorneys and reward them for sticking with us.

Mr. Price moved to item five on the agenda, Financial Accounts Update.

Ms. King stated that we have had some staffing changes and therefore need to update some of the check signers on our bank accounts as follows:

**Bank of Fayetteville/Famers Merchant Bank**

Add:

- Kori Lancaster
- Ashley Norman

Remove:

- Riley Cross

### **First Security**

Add:

- Kori Lancaster
- Ashley Norman

Remove:

- Riley Cross

### **Iberia Bank IOLTA Account**

Add:

- Kori Lancaster
- Ashley Norman
- Helen Gratil

Remove:

- Riley Cross

A motion was made by Niki Cung, Seconded by Steve Davis to update the Financial accounts as stated. The motion carried with none opposed.

Mr. Price moved to item six on the agenda, Safety Committee Update.

Mr. Richardson stated there was an email that Ms. King sent out on November 6<sup>th</sup> that has a good update on the progress of changes. He stated that we are still having some trouble getting bids on the Jonesboro office work. He further stated that we are planning to implement the panic button system in 2019 and staff attended the Active Shooter training at the statewide conference and there are several other changes that are in process.

Mr. Price moved to item seven on the agenda, 2019 Holiday Schedule.

Mr. Richardson stated that for the longest time we have had a big gap in holidays from President's Day in February until Memorial Day in May without a holiday. The Center for Arkansas Legal Services takes Good Friday off and prior to the programs merging we had Good Friday off, not for religious reasons but that this is a big long gap without a holiday and this is the one that fits in. He stated that he would like to propose that Good Friday be added as a permanent holiday so we have something between February and May. He further stated that the current policy manual allows the Executive Director to declare two additional holidays a year and in 2019 it looks like there are three that make sense. He stated that for example, July 5<sup>th</sup> is on a Friday after the 4<sup>th</sup> on a Thursday and then Christmas falls on Wednesday so he would like to declare December 23<sup>rd</sup> and December 30<sup>th</sup> and that is one additional holiday that he does not have the authority to declare. He stated that he is asking approval from the board to make Good Friday a permanent holiday on our holiday schedule and declare December 30<sup>th</sup>, 2019 as an additional holiday for 2019 only.

Hearing no more discussion, Mr. Price called for a motion.

A motion was made by Steve Davis, seconded by Niki Cung to approve the 2019 Holiday Schedule with the additional holiday of December 30<sup>th</sup> and add Good Friday to the permanent holiday schedule. The motion carried with none opposed.

Mr. Price moved to item eight on the agenda, Certificate of Objective Integrity and Independence.

Mr. Richardson that this is a report we have to send in to LSC annually. He stated that this is part of 45 CFR 1610 and we are certifying to the Legal Services Corporation that we have not engaged in any prohibited activity. As part of our grant assurance to accept money from LSC we agree not to engage in prohibited activity which is laid out in 1610.2 and also that we are separate and apart from any organization that does engage in such activities.

Hearing no further discussion, Mr. Price called for a vote. The motion carried with none opposed.

Mr. Price moved to item nine on the agenda, Expiring Board Terms and Officers.

Mr. Richardson stated that we have seven board terms that expire each year. He stated that the Search/Appointments/Nominations Committee will meet in January to discuss this in more detail. He stated that we have sent out inquiries to those with expiring terms and we have at least four that have expressed a desire to continue to serve. He stated that we have a couple of the expiring members that we have rarely seen or have lost touch with so we are trying to follow up on that. He stated that we will be presenting a new slate of board members to approve at the March meeting. He stated that if anyone has any feedback to please contact him. Mr. Richardson inquired to Ms. King if any of the officer positions are term limiting out this year. Ms. King responded that she did not believe they were but would double check to be certain.

Mr. Price moved to item ten on the agenda, Locations and Dates of 2019 Board Meetings.

Mr. Richardson stated that the first meeting should be March 30, 2019. He stated that he had planned to move that up earlier in March but then saw that spring break was earlier in March so if we leave it at the end of March we may not lose board members to spring break. He stated that the proposed meetings are as follows:

<b>DATE</b>	<b>LOCATION</b>
March 30, 2019	West Memphis
June 22, 2019	Harrison
September 14, 2019	Jonesboro
December 7, 2019	Springdale

Hearing no further discussion, Mr. Price called for a motion.

A motion was made by Curtis Walker, seconded by Rene Ward to approve the Locations and Date of 2019 Board Meetings. The motion carried with none opposed.

Mr. Price moved to item eleven on the agenda, Case Acceptance Priorities 2019.

Mr. Richardson stated that this is an important item that we look at each year and this year we had board engagement in drafting the priorities. He stated that he wanted to review the preamble. He stated that the board sets the case acceptance priorities each year and that drives what kind of cases we do accept and where we focus our work during the course of the year. He stated that we need to remember

that we can provide advice, limited services or referrals to all eligible applicants even if their case types are non-priorities that would be considered for extended representation. He stated that these priorities cover extended representation cases. He stated that any time we evaluate a case for extended representation we look at seven factors and those are:

1. the likelihood of legal success
2. the amount of resources that are going to be required to address the legal problem
3. the availability of those resources for effective representation
4. the vulnerability of particular applicant or community
5. alternative resources and pro bono resources
6. the seriousness of the legal matter and
7. the impact it could have on the entire community if it is a systemic or common problem and the long term benefit of representation to the client or community

He stated that we do reserve the ability to accept cases outside of case acceptance priorities when there are volunteer resources available that might otherwise go unused. He stated that we try to keep things at or below 125% of poverty, but we can go up to 200% of poverty when making case acceptance determinations. He stated that we can also do this with certain different funding streams such as Low Income Tax Payers Clinic, Title III funds from Older Americans Act, Housing and Urban Development money for our Fair Housing program, Bank of America settlement funds, Victims of Crime Act funds for survivors of Domestic Violence and the list goes on. He stated that we have targeted projects, for example in 2019 we will continue to target our Medical Legal Partnerships, we are going to be looking at Adverse Childhood Experiences as a targeted area, Low Income Taxpayer Clinic, the Fair Housing project and employment opportunity. He asked the work group leaders to present the priorities:

Ms. Walker presented the Domestic Violence Work Group Priorities.

Ms. Purtle presented the Consumer Work Group Priorities.

Mr. De Liban presented the Economic Justice Work Group Priorities.

Mr. Auer presented the Housing Work Group Priorities.

Mr. Richardson presented the Medical Legal Partnership Priorities.

Hearing no further discussion, Mr. Price called for a motion.

A motion was made by Faye Reed, seconded by Steve Davis to approve the 2019 Case Acceptance Priorities. The motion carried with none opposed.

Mr. Price moved to item twelve, Pro Bono Activities and 2019 Private Attorney Involvement Plan.

Ms. Johnson presented the 2019 Private Attorney Involvement Plan and updated the board on Pro Bono activities.

Hearing no further discussion, Mr. Price called for a motion.

A motion was made by Curtis Walker, seconded by Helen Jenkins to approve the 2019 Private Attorney Involvement Plan. The motion carried with none opposed.

Mr. Price moved to item thirteen, Director's Report.

Mr. Richardson stated that under national developments update President Trump did sign yesterday a continuing resolution funding the government through December 21, 2018 so we will see what happens going forward with that. He stated that even if the government were to shut down the Legal Services Corporation has enough money in reserve to pay the regular grant payments out to programs like Legal Aid of Arkansas for January and February. He stated that we would be good until March even if everything else came to a halt, Legal Aid of Arkansas would still be able to operate. He stated that the Census reallocation numbers did come out and we are getting three years of funding based on poverty estimates of 2017 only. He stated that it used to be a three-year poverty estimate number. He stated that we are losing \$97,000 a year for the next three years because of their estimate that we have had a decline of 36,403 people at or below 100% of poverty in our service area. He stated that this is hard to believe based on day to day observations but that is the number they have and that is what they will go with. He stated that this trickles down because that leaves us with 38.6% of the money coming in to the state instead of 40.07% that we had before. He stated that it trickles down to the Access to Justice Foundation, IOLTA, Bank of America funds, etc. so all together it does cost us money. He stated that the Center for Arkansas Legal Services also lost population and for some reason we lost 7,000 more people than they did. He stated that there is nothing anyone can do; the Legal Services Corporation president has made it clear they are going to use that one-year estimate. Mr. Richardson stated that the Trump Administration had suggested that in 2019 they would eradicate Legal Services Corporation, but Congress and the Senate were in no way in agreement with that and if anything we may see an increase going forward.

Mr. Richardson stated that in regard to Program and Statewide Developments the only thing he would update is that he said the Access to Justice Foundation would be launching a statewide fundraising campaign the week after Thanksgiving. He stated that has been delayed and those letters will be going out next week. He stated that it should be several thousand letters so if you are an attorney in Arkansas you will most likely receive a solicitation letter for a donation. He stated that the Access to Justice Foundation runs the annual campaign for us instead of us running it ourselves and they have done so for about 10 years.

Mr. Richardson stated that we have billboards going up around the service area; we have purchased 30 of them at \$100 each. He stated that in regard to our social media presence, we had "Giving Tuesday" and we really did a good job, we increased our social media presence from about 1,700 likes on our Facebook page to now we have about 2,267. He stated that if you have been watching our Facebook page we have fresh content nearly every day recently with good compelling client stories. He stated that Helen, Morgan and Kori are working on that and doing a great job. He further stated that on "Giving Tuesday" we went live on Facebook from our different offices and different work groups and we raised close to \$7,000 and had over 100 donors. He stated that we thought we raised more than that until we figured out that the Facebook match was gone within seconds that morning. He stated that 79% of our staff gave on "Giving Tuesday" and only 19% of the board gave so we could improve on that.

Mr. Richardson stated that concerning staff changes the only additional thing he has is Kevin Rogers was working part time out of Conway and he has received a job offer he cannot refuse and he will be leaving at the end of December. He stated that we are also advertising for a part time attorney for the Medical Legal Partnership at Arkansas Children's Hospital.

Mr. Richardson asked for questions.

Hearing no further discussion, Mr. Price moved to item fourteen on the agenda, Old/New Business.

Hearing no further discussion, Mr. Price called for a motion to adjourn.

A motion was made by Steve Davis, seconded by Donna Price to adjourn the meeting. The motion carried with none opposed.

**Yoakum, Lovell & Co., PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

February 21, 2019

To the Board of Directors of  
Legal Aid of Arkansas  
Jonesboro, Arkansas

We have audited the financial statements of Legal Aid of Arkansas for the year ended December 31, 2018, and have issued our report thereon dated February 21, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 13, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Legal Aid of Arkansas are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the donated services is based on the hours of the services received at their estimated fair market value rates. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of Commitments in Note 4 to the financial statement identifies the present and future commitments relating to leases for building space by the Organization. In addition, the disclosure of the Concentration of Funding in Note 11 to the financial statements identifies the significant concentrations of the Organization's funding sources during the year.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 21, 2019.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Legal Aid of Arkansas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Yoakum, Lovell & Company, PLLC*

Yoakum, Lovell and Co., PLC



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**1-800-952-9243**

[www.arlegalaid.org](http://www.arlegalaid.org)

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**West Memphis**  
310 Mid Continent Plaza  
Suite 420  
West Memphis, AR 72301  
870-732-6373 – Fax

February 21, 2019

Yoakum, Lovell & Company, PLC  
1106 Military Road  
Benton, Arkansas 72015

This representation letter is provided in connection with your audit of the financial statements of Legal Aid of Arkansas, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 21, 2019, the following representations made to you during your audit.

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 13, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.<sup>1</sup>
- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

## Information Provided


- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.
- The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- Legal Aid of Arkansas is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- In regard to the preparation of financial statements and form 990 performed by you, we have—
  - Assumed all management responsibilities.
  - Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
  - Evaluated the adequacy and results of the services performed.

- Accepted responsibility for the results of the services.
- As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- We acknowledge our responsibility for presenting the statements of activity by funding source and private attorney involvement in accordance with U.S. GAAP, and we believe the statement of activity by funding source and private attorney involvement, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the statements of activity by funding source and private attorney involvement have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - With respect to federal award programs:
    - We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), relating to preparation of the schedule of expenditures of federal awards.
    - We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
    - If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
    - We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
    - We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
    - We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
    - We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
    - We have received no requests from a federal agency to audit one or more specific programs as a major program.
    - We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards.

- We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
  - We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
  - Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
  - We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
  - We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
  - We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
  - There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
  - No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.
  - Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
  - The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
  - We have charged costs to federal awards in accordance with applicable cost principles.
  - We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
  - We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
  - We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
  - We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

Signature: 

Title: Executive Director

Signature: 

Title: FISCAL OFFICER

**Yoakum, Lovell & Co., PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Legal Aid of Arkansas

Financial Statements

December 31, 2018 and 2017

Recipient #604020

## Table of Contents

<b>Financial Section</b>	
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statement of Activities for the Year Ended December 31, 2018	4
Statement of Activities for the Year Ended December 31, 2017	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8-11
<b>Supplementary Information</b>	
Schedule of Expenditures of Federal Awards	12
Statement of Activities by Funding Source – Without Donor Restrictions for the Year Ended December 31, 2018	13
Statement of Activities by Funding Source – With Donor Restrictions for the Year Ended December 31, 2018	14-18
Statement of Activities by Funding Source - Without Donor Restrictions for the Year Ended December 31, 2017	19
Statement of Activities by Funding Source - With Donor Restrictions for the Year Ended December 31, 2017	20-24
Statements of Private Attorney Involvement	25
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	28-29
Summary Schedule of Prior Audit Findings	30
Schedule of Findings and Questioned Costs	31

**Yoakum, Lovell & Co., PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors  
Legal Aid of Arkansas  
Jonesboro, Arkansas

**Report on the Financial Statements**

We have audited the accompanying financial statements of Legal Aid of Arkansas (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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 positions of Legal Aid of Arkansas as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other matters

### *Supplementary information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying supplementary information on pages 13 through 25 are presented for purposes of additional analysis, and are also 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 audits 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 21, 2019, on our consideration of Legal Aid of Arkansas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Legal Aid of Arkansas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Legal Aid of Arkansas's internal control over financial reporting and compliance.

Benton, Arkansas  
February 21, 2019

*Yoakum, Lovell & Co., P.C.*  
Certified Public Accountants



Legal Aid of Arkansas  
Statements of Financial Position  
December 31, 2018 and 2017

<b>Assets</b>	<u>2018</u>	<u>2017</u>
Current Assets		
Cash	\$1,499,822	\$1,258,836
Client Trust Deposits	5,524	4,788
Grants and Contracts Receivable	103,169	44,446
Prepaid Expenses	34,613	35,255
Total Current Assets	<u>1,643,128</u>	<u>1,343,325</u>
Property and Equipment, Net	<u>262,404</u>	<u>277,336</u>
Total Assets	<u>\$1,905,532</u>	<u>\$1,620,661</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts Payable	\$ 15,192	\$ 17,654
Accrued Expenses	82,670	66,693
Accrued Leave	84,047	75,540
Client Deposits Held in Trust	5,524	4,788
Deferred Support	197,575	187,429
Current Portion of Long-Term Debt	16,575	15,678
Total Current Liabilities	<u>401,583</u>	<u>367,782</u>
Long-Term Debt	<u>156,737</u>	<u>175,155</u>
Total Liabilities	<u>558,320</u>	<u>542,937</u>
Net Assets		
Without Donor Restrictions		
Arkansas Filing Fees	400,814	309,231
Donations	734,298	619,502
Property	64,620	57,314
Total Without Donor Restrictions	<u>1,199,732</u>	<u>986,047</u>
With Donor Restrictions		
LSC Basic Field	119,883	62,476
Equal Justice Works - Americorps		12
National Health Law Program	3,125	
Property	24,472	29,189
Total With Donor Restrictions	<u>147,480</u>	<u>91,677</u>
Total Net Assets	<u>1,347,212</u>	<u>1,077,724</u>
Total Liabilities and Net Assets	<u>\$1,905,532</u>	<u>\$1,620,661</u>

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

Legal Aid of Arkansas  
Statement of Activities  
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Grants and Contracts	\$	\$2,688,002	\$2,688,002
Contributions	136,072		136,072
Other Support	250,214	3,700	253,914
Donated Services		487,999	487,999
Miscellaneous		54,742	54,742
Interest		13,344	13,344
Net Assets Released from Restriction	<u>3,191,984</u>	<u>(3,191,984)</u>	
Total Support	<u>3,578,270</u>	<u>55,803</u>	<u>3,634,073</u>
Expenses			
Program Services	3,082,093		3,082,093
Supporting Services			
Management and General	<u>282,492</u>		<u>282,492</u>
Total Expenses	<u>3,364,585</u>		<u>3,364,585</u>
Change in Net Assets	213,685	55,803	269,488
Net Assets at Beginning of Year	<u>986,047</u>	<u>91,677</u>	<u>1,077,724</u>
Net Assets at End of Year	<u>\$1,199,732</u>	<u>\$ 147,480</u>	<u>\$1,347,212</u>

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

Legal Aid of Arkansas  
Statement of Activities  
For the Year Ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support</b>			
Grants and Contracts	\$	\$2,408,838	\$2,408,838
Contributions	146,641		146,641
Other Support	250,214	80,082	330,296
Donated Services		646,435	646,435
Miscellaneous		43,742	43,742
Interest		4,450	4,450
Net Assets Released from Restriction	<u>3,112,752</u>	<u>(3,112,752)</u>	
<b>Total Support</b>	<u>3,509,607</u>	<u>70,795</u>	<u>3,580,402</u>
<b>Expenses</b>			
Program Services	3,007,051		3,007,051
Supporting Services			
Management and General	<u>257,278</u>		<u>257,278</u>
<b>Total Expenses</b>	<u>3,264,329</u>		<u>3,264,329</u>
<b>Change in Net Assets</b>	245,278	70,795	316,073
<b>Net Assets at Beginning of Year</b>	<u>740,769</u>	<u>20,882</u>	<u>761,651</u>
<b>Net Assets at End of Year</b>	<u>\$ 986,047</u>	<u>\$ 91,677</u>	<u>\$1,077,724</u>

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

Legal Aid of Arkansas  
Statements of Functional Expenses  
For the Years Ended December 31, 2018 and 2017

Expenses	2018			2017		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Salaries	\$ 1,864,239	\$ 193,555	\$ 2,057,794	\$ 1,718,287	\$ 165,916	\$ 1,884,203
Fringe Benefits	335,269	20,614	355,883	300,581	17,670	318,251
Professional Dues	15,832	920	16,752	16,181	870	17,051
Audit	15,000		15,000	15,000		15,000
Insurance	16,437	8,341	24,778	15,692	11,674	27,366
Contract Services	10,917		10,917	10,576		10,576
Training and Travel	45,770	12,912	58,682	27,244	14,721	41,965
Local Mileage	68,822	9,749	78,571	58,938	15,173	74,111
Space Rent	23,373		23,373	19,950		19,950
Utilities and Janitorial	26,644	1,621	28,265	26,214	1,505	27,719
Office Supplies	49,322	15,700	65,022	26,878	10,492	37,370
Printing				1,578	232	1,810
Postage	13,674	15	13,689	13,571	38	13,609
Telecommunications	36,340	13,101	49,441	37,839	15,479	53,318
Library	16,781		16,781	15,205		15,205
Repairs and Maintenance	19,156		19,156	20,881		20,881
Litigation	6,881		6,881	7,333		7,333
Advertising	2,205	5,964	8,169	4,806	3,508	8,314
Miscellaneous	3,085		3,085			
Interest Expense	9,415		9,415	9,397		9,397
Donated Services	487,999		487,999	646,435		646,435
Depreciation	14,932		14,932	14,465		14,465
<b>Total Expenses</b>	<b>\$ 3,082,093</b>	<b>\$ 282,492</b>	<b>\$ 3,364,585</b>	<b>\$ 3,007,051</b>	<b>\$ 257,278</b>	<b>\$ 3,264,329</b>

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

Legal Aid of Arkansas  
 Statements of Cash Flows  
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 269,488	\$ 316,073
Items Not Requiring Cash:		
Depreciation Expense	14,932	14,465
(Increase) Decrease In:		
Grants and Contracts Receivable	(58,723)	64,519
Prepaid Expenses and Other Assets	642	(661)
Increase (Decrease) In:		
Accounts Payable	(2,462)	1,773
Accrued Expenses	15,977	(7,010)
Accrued Leave	8,507	4,045
Deferred Support	10,146	177,429
Net Cash Provided by Operating Activities	<u>258,507</u>	<u>570,633</u>
Cash Flows from Investing Activities		
Purchases of Property and Equipment		(12,152)
Net Cash Used by Investing Activities		<u>(12,152)</u>
Cash Flows from Financing Activities		
Payments on Long-Term Debt	(17,521)	(18,127)
Net Cash Used by Financing Activities	<u>(17,521)</u>	<u>(18,127)</u>
Net Increase in Cash	240,986	540,354
Cash at Beginning of Year	<u>1,258,836</u>	<u>718,482</u>
Cash at End of Year	<u>\$1,499,822</u>	<u>\$1,258,836</u>

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

Legal Aid of Arkansas  
Notes to Financial Statements

**Note 1: Basis of Presentation**

The organization is required to report information regarding its financial position and activities according to two classes of net assets:

Without Donor Restrictions– Those resources over which the organization has discretionary control.

With Donor Restrictions - Those resources subject to donor imposed restrictions which will be satisfied by actions of the organization or passage of time or those resources subject to a donor imposed restriction that requires they be maintained permanently by the organization.

**Note 2: Summary of Significant Accounting Policies**

- A. **Operations** – Legal Aid of Arkansas is a nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings to persons who are financially unable to afford legal assistance in northern Arkansas.
- B. **Grants and Contract Support** – The organization recognizes grant funds from Legal Services Corporation (LSC) and various other organizations as support on a straight-line basis over the contract period, and any remaining unused grant funds at year end are carried in the net assets. In accordance with LSC policy, 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.  

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. Other support is provided by donations and interest income.
- C. **Donated Services** – Donated services represent services rendered by various attorneys and volunteers in northern Arkansas and office space made available at one location at no charge to Legal Aid of Arkansas. The value of the donated services is based upon the fee normally charged by the professional rendering the services and fair rental value of the office space. Donated services are recognized both as support and costs in the accompanying financial statements and, therefore, do not add to the net assets.
- D. **Cash and Cash Equivalents** – For the purposes of reporting cash flows, cash and cash equivalents include all cash on hand, deposited in financial institutions, or deposited in certificates of deposit. All of the available cash is readily accessible to cover any expenses during the next fiscal year.
- E. **Property and Equipment** - Property acquired with LSC funds is considered to be owned by Legal Aid of Arkansas while used in the program or in future authorized programs. However, Legal Services Corporation retains a reversionary interest in the property as well as determination of use of any proceeds from the sale of those assets.

The Organization follows the practice of capitalizing at cost all expenditures for property in excess of \$5,000 with a useful life of at least one year. Depreciation is computed on a straight-line basis over the estimated useful life.

The following useful lives have been assigned to the property and equipment:

Building	30 years
Furniture and Equipment	5 - 10 years
Leasehold Improvements	5 - 10 years

Legal Aid of Arkansas  
Notes to Financial Statements

**Note 2: Summary of Significant Accounting Policies (cont'd)**

F. **Deferred Revenue** – Funds received under exchange transactions for future use are deferred and recognized over the period to which the revenue relates.

**Note 3: Income Taxes**

Legal Aid of Arkansas is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no income tax provisions have been made. The organization annually files the form 990 tax return with the IRS. The tax years 2015, 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they are filed.

**Note 4: Commitments**

Legal Aid of Arkansas has entered into the following non-cancelable leases for building space:

<u>Location</u>	<u>Term</u>	<u>Annual Amount</u>
Harrison	Ends September 30, 2021	\$8,700
Helena	Month-to-month	\$5,700
West Memphis	Month-to-month	\$7,200

Rental expenses for the years ended December 31, 2018 and 2017, were \$23,373 and \$19,950, respectively. Future minimum lease payments under operating leases that have remaining terms as of December 31, 2018, are \$8,700 for 2019, \$8,700 for 2020, and \$6,525 for 2021. This includes the lease for the Harrison property.

**Note 5: Defined Contribution Plan**

The Organization adopted a 403(b) thrift plan beginning in 2009, covering all employees. Previously, the organization had a saving incentive match plan for employees (simple) covering full-time employees who earned over \$5,000. The Organization's contributions to the plan are determined annually by the Board of Directors. The rate of matching contributions was 5% and 3% for 2018 and 2017, respectively. Total contributions by the Organization in 2018 and 2017 were \$56,326 and \$33,047, respectively.

**Note 6: Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 7: Client Deposits Held in Trust**

Client funds are maintained by Legal Aid of Arkansas in a separate bank account. These funds are required to pay for court costs and other expenses incurred while representing Legal Aid of Arkansas's clients.

**Note 8: Property and Equipment**

The following is a summary of property and equipment at December 31:

	<u>2018</u>	<u>2017</u>
Land	\$ 8,000	\$ 8,000
Buildings	443,269	443,269
Furniture and Equipment	122,202	122,202
Leasehold Improvements	<u>83,748</u>	<u>83,748</u>
Total Property and Equipment	657,219	657,219
Less: Accumulated Depreciation	<u>(394,815)</u>	<u>(379,883)</u>
Property and Equipment, Net	<u>\$ 262,404</u>	<u>\$ 277,336</u>

Legal Aid of Arkansas  
Notes to Financial Statements

**Note 9: Private Attorney Involvement**

The private attorney involvement exceeded 12 1/2% requirement set forth by Legal Services Corporation in 2018 and 2017.

**Note 10: Long-Term Debt**

	2018	2017
5.0% note payable, payable in monthly payments of \$2,072, principal and interest through May 2022, at which time the remaining balance will be due, secured by real estate	\$ 173,312	\$ 190,833
Less: Current Portion	16,575	15,678
<b>Total Long-Term Debt</b>	<b>\$ 156,737</b>	<b>\$ 175,155</b>

The future scheduled maturities of long-term debt are as follows for the year ended December 31:

2019	\$ 16,575
2020	17,064
2021	17,937
2022	121,736
	<b>\$ 173,312</b>

Interest paid for the year ended December 31, 2018 and 2017, was \$9,415 and \$9,397, respectively.

**Note 11: Concentration of Funding**

Approximately 50% of the organization's funding is provided from grants from Legal Services Corporation for both years ended December 31, 2018 and 2017.

**Note 12: Contingencies**

During 2014, Newport Economic Development Commission (NEDC) agreed to pay \$13,800 for roof repairs to a building owned by Legal Aid of Arkansas that is located in Newport, Arkansas. The agreement with NEDC created a mortgage on the property for \$13,800 that will be forgiven annually at 10% through 2024. NEDC will only collect the mortgage if the property is sold by Legal Aid of Arkansas before the end of the ten years.

**Note 13: Net Assets With Donor Restrictions**

As discussed in Note 1, the funds received by certain funding sources are recognized when received, but will only be released from restriction upon meeting the stipulations by that funding source. Net assets with donor restrictions from property and equipment represent the net book value of the property and equipment that was purchased with funds that restrict the use of those assets to certain programs. The following is a schedule of net assets that remained temporarily restricted as of December 31:

	2018	2017
LSC – Basic Field	\$ 119,883	\$ 62,476
Equal Justice Works – Americorp		12
National Health Law Program	3,125	
Property	24,472	29,189
<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 147,480</b>	<b>\$ 91,677</b>



Legal Aid of Arkansas  
Notes to Financial Statements

**Note 14: Subsequent Events**

Subsequent events were evaluated through February 21, 2019, which is the date the financial statements were available to be issued.

Legal Aid of Arkansas  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2018

Federal Grantor, Pass-Through Grantor and Program Title	Federal CFDA Number	Federal Expenditures
Legal Services Corporation - Basic Field	09.604020	\$1,500,238
U.S. Department of Justice		
Pass-Through Program from Arkansas Department of Finance and Administration (Office of Inter-Governmental Services) - VOCA	16.575	149,056
Pass-Through Program from Equal Justice Works: Crime Victim Assistance/Discretionary Grants	16.582	<u>31,085</u>
Total U.S. Department of Justice		<u>180,141</u>
U.S. Department of the Treasury		
Low Income Taxpayer Clinic Grant	21.008	60,000
U.S. Department of Health and Human Services		
Pass-Through Program from Arkansas Department of Human Services:		
Title IIIB	93.044	
Title IIIB (White River Area Agency on Aging)	93.044	2,444
Title IIIB (Northwest Arkansas Area Agency on Aging)	93.044	10,500
Title IIIB (East Arkansas Area Agency on Aging)	93.044	<u>35,000</u>
		47,944
Corporation for National and Community Service		
Pass-Through Program from Equal Justice Works: AmeriCorps	94.006	24,046
U.S. Department of Housing and Urban Development (HUD)		
Education and Outreach Initiatives	14.416	<u>84,769</u>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$1,897,138</u></b>

Note 1: Basis of Presentation - The schedule of expenditures of federal awards (the schedule) includes the federal award activity of Legal Aid of Arkansas (LAA) under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of LAA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of LAA.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rates - LAA has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Legal Aid of Arkansas  
Statement of Activities by Funding Source - Without Donor Restrictions  
For the Year Ended December 31, 2018

	Arkansas Filing Fees	Donations	Property	Total
Support				
Cash Donations	\$	\$ 136,072	\$	\$ 136,072
Other Support	250,214			250,214
Total Support	<u>250,214</u>	<u>136,072</u>		<u>386,286</u>
Expenses				
Personnel				
Salaries	79,172			79,172
Fringe Benefits	34,161			34,161
Other				
Professional Dues	6,666			6,666
Training and Travel	6,218			6,218
Local Mileage	4,555			4,555
Utilities and Janitorial		3,898		3,898
Office Supplies	5,630	2,251		7,881
Postage		426		426
Telecommunications		401		401
Repairs and Maintenance		5,005		5,005
Advertising		1,503		1,503
Miscellaneous		3,085		3,085
Interest	4,708	4,707		9,415
Depreciation			10,215	10,215
Total Expenses	<u>141,110</u>	<u>21,276</u>	<u>10,215</u>	<u>172,601</u>
Support over (under) Expenses	109,104	114,796	(10,215)	213,685
Payments on Long-Term Debt	<u>(17,521)</u>		<u>17,521</u>	
Change in Net Assets	91,583	114,796	7,306	213,685
Net Assets at Beginning of Year	<u>309,231</u>	<u>619,502</u>	<u>57,314</u>	<u>986,047</u>
Net Assets at End of Year	<u>\$ 400,814</u>	<u>\$ 734,298</u>	<u>\$ 64,620</u>	<u>\$1,199,732</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions  
For the Year Ended December 31, 2018

	LSC Basic Field	VOCA	HUD/ Fair Housing	Medical Legal Partnership
Support				
Grants and Contracts	\$1,557,645	\$ 149,056	\$ 84,769	\$ 190,249
Donated Services	487,999			
Attorney Fees		1,500		
Miscellaneous				
Interest Income	6,606			
<b>Total Support</b>	<b>2,052,250</b>	<b>150,556</b>	<b>84,769</b>	<b>190,249</b>
Expenses				
Personnel				
Salaries	1,012,821	115,805	66,983	153,847
Fringe Benefits	162,815	21,186	13,561	27,228
Other				
Professional Dues	9,745			
Audit	15,000			
Insurance	24,778			
Contract Services	7,347			
Training and Travel	36,567	701	4,225	2,946
Local Mileage	42,123	10,654		3,295
Space Rent	22,573			
Utilities and Janitorial	24,367			
Office Supplies	45,810	1,833		2,421
Postage	12,865			
Telecommunications	49,040			
Library	14,397			
Repairs and Maintenance	14,151			
Litigation	5,829	377		462
Advertising	6,616			50
Donated Services	487,999			
Depreciation				
<b>Total Expenses</b>	<b>1,994,843</b>	<b>150,556</b>	<b>84,769</b>	<b>190,249</b>
Support over (under) Expenses	57,407			
Acquisition of Property				
<b>Changes in Net Assets</b>	<b>57,407</b>			
Net Assets at Beginning of Year	62,476			
<b>Net Assets at End of Year</b>	<b>\$ 119,883</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions (cont'd)  
For the Year Ended December 31, 2018

	Equal Justice Works - CVJC	Area Agencies on Aging	IRS-LITC	Arkansas Access to Justice Foundation Fair Housing
Support				
Grants and Contracts	\$ 31,085	\$ 47,944	\$ 60,000	\$ 85,521
Donated Services				
Attorney Fees				
Miscellaneous				
Interest Income				
<b>Total Support</b>	<u>31,085</u>	<u>47,944</u>	<u>60,000</u>	<u>85,521</u>
Expenses				
Personnel				
Salaries	26,092	40,733	60,000	53,589
Fringe Benefits	3,627	7,211		10,792
Other				
Professional Dues				
Audit				
Insurance				
Contract Services				3,015
Training and Travel				2,889
Local Mileage	1,016			7,375
Space Rent				800
Utilities and Janitorial				
Office Supplies	350			5,476
Postage				101
Telecommunications				
Library				1,484
Repairs and Maintenance				
Litigation				
Advertising				
Donated Services				
Depreciation				
<b>Total Expenses</b>	<u>31,085</u>	<u>47,944</u>	<u>60,000</u>	<u>85,521</u>
Changes in Net Assets				
Net Assets at Beginning of Year				
Net Assets at End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions (cont'd)  
For the Year Ended December 31, 2018

	United Way of			
	Northwest Arkansas Counties	Northeast Arkansas Counties	Greater Blytheville	Mid- South
Support				
Grants and Contracts	\$ 78,811	\$ 15,909	\$ 3,000	\$ 4,005
Donated Services				
Attorney Fees				
Miscellaneous				
Interest Income				
<b>Total Support</b>	<u>78,811</u>	<u>15,909</u>	<u>3,000</u>	<u>4,005</u>
Expenses				
Personnel				
Salaries	66,961	13,516	2,549	3,403
Fringe Benefits	11,850	2,393	451	602
Other				
Professional Dues				
Audit				
Insurance				
Contract Services				
Training and Travel				
Local Mileage				
Space Rent				
Utilities and Janitorial				
Office Supplies				
Postage				
Telecommunications				
Library				
Repairs and Maintenance				
Litigation				
Advertising				
Donated Services				
Depreciation				
<b>Total Expenses</b>	<u>78,811</u>	<u>15,909</u>	<u>3,000</u>	<u>4,005</u>
Changes in Net Assets				
Net Assets at Beginning of Year				
Net Assets at End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions (cont'd)  
For the Year Ended December 31, 2018

	United Way of		IOLTA	Equal Justice Works- Americorps
	Independence County	Boone County		
Support				
Grants and Contracts	\$ 3,000	\$ 2,500	\$ 282,729	\$ 19,046
Donated Services				
Attorney Fees			2,200	
Miscellaneous				5,000
Interest Income				
<b>Total Support</b>	<u>3,000</u>	<u>2,500</u>	<u>284,929</u>	<u>24,046</u>
Expenses				
Personnel				
Salaries	2,549	2,124	231,770	24,058
Fringe Benefits	451	376	41,030	
Other				
Professional Dues			341	
Audit				
Insurance				
Contract Services			555	
Training and Travel			4,313	
Local Mileage			5,587	
Space Rent				
Utilities and Janitorial				
Office Supplies			233	
Postage				
Telecommunications				
Library			900	
Repairs and Maintenance				
Litigation			200	
Advertising				
Donated Services				
Depreciation				
<b>Total Expenses</b>	<u>3,000</u>	<u>2,500</u>	<u>284,929</u>	<u>24,058</u>
Changes in Net Assets				(12)
Net Assets at Beginning of Year				12
Net Assets at End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions (cont'd)  
For the Year Ended December 31, 2018

	National Health Law Program	Other	Property	Total
<b>Support</b>				
Grants and Contracts	\$ 58,333	\$ 14,400	\$	\$2,688,002
Donated Services				487,999
Attorney Fees				3,700
Miscellaneous		49,742		54,742
Interest Income		6,738		13,344
<b>Total Support</b>	<u>58,333</u>	<u>70,880</u>		<u>3,247,787</u>
<b>Expenses</b>				
Personnel				
Salaries	41,602	60,220		1,978,622
Fringe Benefits	7,489	10,660		321,722
Other				
Professional Dues				10,086
Audit				15,000
Insurance				24,778
Contract Services				10,917
Training and Travel	823			52,464
Local Mileage	3,966			74,016
Space Rent				23,373
Utilities and Janitorial				24,367
Office Supplies	1,018			57,141
Postage	297			13,263
Telecommunications				49,040
Library				16,781
Repairs and Maintenance				14,151
Litigation	13			6,881
Advertising				6,666
Donated Services				487,999
Depreciation			4,717	4,717
<b>Total Expenses</b>	<u>55,208</u>	<u>70,880</u>	<u>4,717</u>	<u>3,191,984</u>
Support over (under) Expenses	3,125		(4,717)	55,803
Acquisition of Property				
<b>Changes in Net Assets</b>	<u>3,125</u>		<u>(4,717)</u>	<u>55,803</u>
Net Assets at Beginning of Year			29,189	91,677
<b>Net Assets at End of Year</b>	<u>\$ 3,125</u>	<u>\$</u>	<u>\$ 24,472</u>	<u>\$ 147,480</u>



Legal Aid of Arkansas  
Statement of Activities by Funding Source - Without Donor Restrictions  
For the Year Ended December 31, 2017

	Arkansas Filing Fees	Donations	Property	Total
Support				
Cash Donations	\$	\$ 146,641	\$	\$ 146,641
Other Support	250,214			250,214
Total Support	<u>250,214</u>	<u>146,641</u>		<u>396,855</u>
Expenses				
Personnel				
Salaries	29,313	37,351		66,664
Fringe Benefits	32,292	5,618		37,910
Other				
Professional Dues	8,565			8,565
Contract Services		641		641
Training and Travel	4,023			4,023
Local Mileage	5,637	91		5,728
Utilities and Janitorial		1,491		1,491
Office Supplies	3,925	1,399		5,324
Printing		490		490
Postage		465		465
Telecommunications		259		259
Interest	4,699	4,698		9,397
Depreciation			10,620	10,620
Total Expenses	<u>88,454</u>	<u>52,503</u>	<u>10,620</u>	<u>151,577</u>
Support over (under) Expenses	161,760	94,138	(10,620)	245,278
Payments on Long-Term Debt	<u>(18,127)</u>		<u>18,127</u>	
Change in Net Assets	143,633	94,138	7,507	245,278
Net Assets at Beginning of Year	<u>165,598</u>	<u>525,364</u>	<u>49,807</u>	<u>740,769</u>
Net Assets at End of Year	<u>\$ 309,231</u>	<u>\$ 619,502</u>	<u>\$ 57,314</u>	<u>\$ 986,047</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions  
For the Year Ended December 31, 2017

	LSC Basic Field	VOCA	Medical Legal Partnership
<b>Support</b>			
Grants and Contracts	\$1,469,531	\$ 116,555	\$ 181,204
Donated Services	646,435		
Attorney Fees	78,162		
Miscellaneous	24,822		
Interest Income	2,403		
<b>Total Support</b>	<u>2,221,353</u>	<u>116,555</u>	<u>181,204</u>
<b>Expenses</b>			
<b>Personnel</b>			
Salaries	1,011,643	90,788	149,414
Fringe Benefits	154,529	16,072	26,449
<b>Other</b>			
Professional Dues	8,130		
Audit	15,000		
Insurance	27,366		
Contract Services	8,115		
Training and Travel	31,187		973
Local Mileage	48,337	9,533	3,907
Space Rent	19,950		
Utilities and Janitorial	26,228		
Office Supplies	31,235	18	398
Printing	1,320		
Postage	13,120		
Telecommunications	53,059		
Library	15,205		
Repairs and Maintenance	20,881		
Litigation	6,671	144	63
Advertising	8,314		
Donated Services	646,435		
Depreciation			
<b>Total Expenses</b>	<u>2,146,725</u>	<u>116,555</u>	<u>181,204</u>
Support over (under) Expenses	74,628		
Acquisition of Property	(12,152)		
<b>Changes in Net Assets</b>	<u>62,476</u>		
<b>Net Assets at Beginning of Year</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Net Assets at End of Year</b>	<u>\$ 62,476</u>	<u>\$</u>	<u>\$</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions  
For the Year Ended December 31, 2017

	AmeriCorps	Area Agencies on Aging	IRS-LITC	Arkansas Access to Justice Foundation Fair Housing
Support				
Grants and Contracts	\$ 43,528	\$ 58,628	\$ 60,000	\$ 35,613
Donated Services				
Attorney Fees		1,120		
Miscellaneous	13,920			
Interest Income				
Total Support	<u>57,448</u>	<u>59,748</u>	<u>60,000</u>	<u>35,613</u>
Expenses				
Personnel				
Salaries	49,606	50,762	60,000	30,257
Fringe Benefits	7,842	8,986		5,356
Other				
Professional Dues				
Audit				
Insurance				
Contract Services				
Training and Travel				
Local Mileage				
Space Rent				
Utilities and Janitorial				
Office Supplies				
Printing				
Postage				
Telecommunications				
Library				
Repairs and Maintenance				
Litigation				
Advertising				
Donated Services				
Depreciation				
Total Expenses	<u>57,448</u>	<u>59,748</u>	<u>60,000</u>	<u>35,613</u>
Changes in Net Assets				
Net Assets at Beginning of Year				
Net Assets at End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions  
For the Year Ended December 31, 2017

	United Way of			
	Northwest Arkansas Counties	Northeast Arkansas Counties	Greater Blytheville	Mid- South
Support				
Grants and Contracts	\$ 87,816	\$ 15,909	\$ 3,000	\$ 3,916
Donated Services				
Attorney Fees				
Miscellaneous				
Interest Income				
Total Support	<u>87,816</u>	<u>15,909</u>	<u>3,000</u>	<u>3,916</u>
Expenses				
Personnel				
Salaries	74,592	13,516	2,549	3,327
Fringe Benefits	13,204	2,393	451	589
Other				
Professional Dues				
Audit				
Insurance				
Contract Services				
Training and Travel				
Local Mileage				
Space Rent				
Utilities and Janitorial				
Office Supplies				
Printing				
Postage				
Telecommunications				
Library				
Repairs and Maintenance				
Litigation	20			
Advertising				
Donated Services				
Depreciation				
Total Expenses	<u>87,816</u>	<u>15,909</u>	<u>3,000</u>	<u>3,916</u>
Changes in Net Assets				
Net Assets at Beginning of Year				
Net Assets at End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions  
For the Year Ended December 31, 2017

	United Way of		IOLTA	Equal Justice Works AmeriCorps
	Independence County	Boone County		
Support				
Grants and Contracts	\$ 4,000	\$ 2,000	\$ 282,744	\$ 25,002
Donated Services				
Attorney Fees			800	
Miscellaneous				5,000
Interest Income				
<b>Total Support</b>	<u>4,000</u>	<u>2,000</u>	<u>283,544</u>	<u>30,002</u>
Expenses				
Personnel				
Salaries	3,398	1,699	227,893	29,990
Fringe Benefits	602	301	40,342	
Other				
Professional Dues			356	
Audit				
Insurance				
Contract Services			1,820	
Training and Travel			5,782	
Local Mileage			6,497	
Space Rent				
Utilities and Janitorial				
Office Supplies			395	
Printing				
Postage			24	
Telecommunications				
Library				
Repairs and Maintenance				
Litigation			435	
Advertising				
Donated Services				
Depreciation				
<b>Total Expenses</b>	<u>4,000</u>	<u>2,000</u>	<u>283,544</u>	<u>29,990</u>
Changes in Net Assets				12
Net Assets at Beginning of Year				
<b>Net Assets at End of Year</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 12</u>

Legal Aid of Arkansas  
Statement of Activities by Funding Source - With Donor Restrictions  
For the Year Ended December 31, 2017

	National Health Law Program	Other	Property	Total
Support				
Grants and Contracts	\$ 4,167	\$ 15,225	\$	\$2,408,838
Donated Services				646,435
Attorney Fees				80,082
Miscellaneous				43,742
Interest Income		2,047		4,450
Total Support	<u>4,167</u>	<u>17,272</u>		<u>3,183,547</u>
Expenses				
Personnel				
Salaries	3,431	14,674		1,817,539
Fringe Benefits	627	2,598		280,341
Other				
Professional Dues				8,486
Audit				15,000
Insurance				27,366
Contract Services				9,935
Training and Travel				37,942
Local Mileage	109			68,383
Space Rent				19,950
Utilities and Janitorial				26,228
Office Supplies				32,046
Printing				1,320
Postage				13,144
Telecommunications				53,059
Library				15,205
Repairs and Maintenance				20,881
Litigation				7,333
Advertising				8,314
Donated Services				646,435
Depreciation			3,845	3,845
Total Expenses	<u>4,167</u>	<u>17,272</u>	<u>3,845</u>	<u>3,112,752</u>
Support over (under) Expenses			(3,845)	70,795
Acquisition of Property			12,152	
Changes in Net Assets			8,307	70,795
Net Assets at Beginning of Year			20,882	20,882
Net Assets at End of Year	<u>\$</u>	<u>\$</u>	<u>\$ 29,189</u>	<u>\$ 91,677</u>

Legal Aid of Arkansas  
 Statements of Private Attorney Involvement  
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Support		
Grants and Contracts	\$ 194,720	\$ 186,177
Donated Services	487,999	646,435
Total Support	<u>682,719</u>	<u>832,612</u>
Expenses		
Personnel		
Salaries	131,118	122,042
Fringe Benefits	22,010	17,044
Other		
Professional Dues	270	
Insurance	656	964
Contracts	60	600
Training and Travel	3,475	7,893
Local Mileage	14,499	18,697
Space Rent	1,446	1,405
Office Supplies	8,962	4,631
Printing		74
Postage	887	1,544
Telecommunications	3,058	3,755
Library	1,038	1,071
Repairs and Maintenance	2,933	3,081
Litigation	2,116	1,112
Advertising	505	2,264
Miscellaneous	1,687	
Donated Services	487,999	646,435
Total Expenses	<u>682,719</u>	<u>832,612</u>
Support over (under) Expenses	<u>\$</u>	<u>\$</u>

**Yoakum, Lovell & Co., PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' 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*

Board of Directors  
Legal Aid of Arkansas  
Jonesboro, Arkansas

We have audited, in accordance with the 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 Legal Aid of Arkansas (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and related notes to the financial statements, and have issued our report thereon dated February 21, 2019.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and other matters**

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



**Purpose of 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Yokum, Powell & Co., P.C.*  
Certified Public Accountants

Benton, Arkansas  
February 21, 2019

**Yoakum, Lovell & Co., PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control  
over Compliance Required by the Uniform Guidance

Board of Directors  
Legal Aid of Arkansas  
Jonesboro, Arkansas

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

We have audited Legal Aid of Arkansas's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Legal Aid of Arkansas's major federal programs for the year ended December 31, 2018. Legal Aid of Arkansas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Legal Aid of Arkansas's major federal programs based on our audit of the types of compliance requirement 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; 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); and Legal Services Corporation Office of Inspector General's *Audit Guide for Recipients and Auditors* (November 1996) and *2016 Compliance Supplement for Audits of LSC Recipients*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Legal Aid of Arkansas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### Opinion on Each Major Federal Program

In our opinion, Legal Aid of Arkansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

### Report on Internal Control over Compliance

Management of Legal Aid of Arkansas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Legal Aid of Arkansas's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Legal Aid of Arkansas'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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Benton, Arkansas  
February 21, 2019

*Yakum, Lovell & Co., P.C.*  
Certified Public Accountants

Legal Aid of Arkansas  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2018

There were no prior year audit findings.

Legal Aid of Arkansas  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2018

A. Summary of Audit Results

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Legal Aid of Arkansas.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Legal Aid of Arkansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The independent auditors' report on compliance for the major federal award program expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in Part C. of this schedule.
7. The federal award program tested as a major program was the Legal Services Corporation (CFDA #09.604020).
8. The threshold for distinguishing type A and B programs was \$750,000.
9. Legal Aid of Arkansas was determined to be a high-risk auditee.

B. Findings - Financial Statements Audit

None Noted

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None Noted

## Forms 990 / 990-EZ Return Summary

For calendar year 2018, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

71-0439977

### LEGAL AID OF ARKANSAS

<b>Net Asset / Fund Balance at Beginning of Year</b>		<u>1,077,724</u>
<b>Revenue</b>		
Contributions	<u>389,986</u>	
Program service revenue	<u>2,688,002</u>	
Investment income	<u>13,344</u>	
Capital gain / loss		
Fundraising / Gaming:		
Gross revenue		
Direct expenses		
Net income		
Other income	<u>54,742</u>	
<b>Total revenue</b>		<u>3,146,074</u>
<b>Expenses</b>		
Program services	<u>2,594,094</u>	
Management and general	<u>282,492</u>	
Fundraising		
<b>Total expenses</b>		<u>2,876,586</u>
<b>Excess / (deficit)</b>		<u>269,488</u>
Changes		
<b>Net Asset / Fund Balance at End of Year</b>		<u>1,347,212</u>

Reconciliation of Revenue	
Total revenue per financial statements	<u>3,634,073</u>
Less:	
Unrealized gains	
Donated services	<u>487,999</u>
Recoveries	
Other	
Plus:	
Investment expenses	
Other	
<b>Total revenue per return</b>	<u>3,146,074</u>

Reconciliation of Expenses	
Total expenses per financial statements	<u>3,364,585</u>
Less:	
Donated services	<u>487,999</u>
Prior year adjustments	
Losses	
Other	
Plus:	
Investment expenses	
Other	
<b>Total expenses per return</b>	<u>2,876,586</u>

Balance Sheet			
	Beginning	Ending	Differences
Assets	<u>1,620,661</u>	<u>1,905,532</u>	
Liabilities	<u>542,937</u>	<u>558,320</u>	
Net assets	<u>1,077,724</u>	<u>1,347,212</u>	<u>269,488</u>

#### Miscellaneous Information

Amended return \_\_\_\_\_  
Return / extended due date 05/15/19  
Failure to file penalty \_\_\_\_\_

**Yoakum, Lovell & Company, PLC**  
**1106 Military Rd**  
**Benton, AR 72015-2909**  
**501-778-0495**

March 19, 2019

**CONFIDENTIAL**

LEGAL AID OF ARKANSAS  
714 SOUTH MAIN ST  
JONESBORO, AR 72401

Dear :

We have prepared the following returns from information provided by you without verification or audit.

Return of Organization Exempt From Income Tax (Form 990)

We suggest that you examine these returns carefully to fully acquaint yourself with all items contained therein to ensure that there are no omissions or misstatements. Attached are instructions for signing and filing each return. Please follow those instructions carefully.

Enclosed is any material you furnished for use in preparing the returns. If the returns are examined, requests may be made for supporting documentation. Therefore, we recommend that you retain all pertinent records for at least seven years.

In order that we may properly advise you of tax considerations, please keep us informed of any significant changes in your financial affairs or of any correspondence received from taxing authorities.

If you have any questions, or if we can be of assistance in any way, please call.

Sincerely,

Yoakum, Lovell & Company, PLC

## Filing Instructions

### LEGAL AID OF ARKANSAS

### Exempt Organization Tax Return

### Taxable Year Ended December 31, 2018

**Date Due:** May 15, 2019

**Remittance:** None is required. Your Form 990 for the tax year ended 12/31/18 shows no balance due.

**Signature:** You are using a Personal Identification Number (PIN) for signing your return electronically. Form 8879-EO, IRS *e-file* Signature Authorization for an Exempt Organization should be signed and dated by an authorized officer of the organization and returned to:

Yoakum, Lovell & Company, PLC  
1106 Military Rd  
Benton, AR 72015-2909

***Important:*** Your return will not be filed with the IRS until the signed Form 8879-EO has been received by this office.

**Other:** Your return is being filed electronically with the IRS and is not required to be mailed. If you Mail a paper copy of your return to the IRS it will delay the processing of your return.



IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

Form 8879-EO

For calendar year 2018, or fiscal year beginning ... 2018, and ending ... 20 .....

2018

Department of the Treasury Internal Revenue Service

Do not send to the IRS. Keep for your records. Go to www.irs.gov/Form8879EO for the latest information.

Name of exempt organization

Employer identification number

LEGAL AID OF ARKANSAS

71-0439977

Name and title of officer

LEE RICHARDSON EXECUTIVE DIRECTOR

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

Table with 5 rows (1a-5a) and 2 columns (b Total revenue, b Total tax, b Tax based on investment income, b Balance Due). Includes values like 3,146,074.

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2018 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize Yoakum, Lovell & Company, PLC to enter my PIN 39977 as my signature. Enter five numbers, but do not enter all zeros.

on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature

Date 03/14/19

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

71174811111

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ZEKE JONES

Date 03/14/19

ERO Must Retain This Form - See Instructions Do Not Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form.

Form 8879-EO (2018)

Form **990**

Department of the Treasury  
Internal Revenue Service

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**  
Open to Public Inspection

**A For the 2018 calendar year, or tax year beginning , and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <p style="text-align: center;"><b>LEGAL AID OF ARKANSAS</b></p> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <p style="text-align: center;"><b>714 SOUTH MAIN ST</b></p> City or town, state or province, country, and ZIP or foreign postal code <p style="text-align: center;"><b>JONESBORO AR 72401</b></p>	<b>D</b> Employer identification number <p style="text-align: center;"><b>71-0439977</b></p> <b>E</b> Telephone number <p style="text-align: center;"><b>870-972-9224</b></p> <b>G</b> Gross receipts \$ <b>3,146,074</b>
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<b>F</b> Name and address of principal officer: <p style="text-align: center;"><b>LEE RICHARDSON</b> <b>714 SOUTH MAIN ST</b> <b>JONESBORO AR 72401</b></p>	<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
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**I** Tax-exempt status:  501(c)(3)  501(c) ( ) (insert no.)  4947(a)(1) or  527

**J** Website: ▶ **n/a** **H(c)** Group exemption number ▶

**K** Form of organization:  Corporation  Trust  Association  Other ▶ **L** Year of formation: **2002** **M** State of legal domicile: **AR**

**Part I Summary**

<b>Activities &amp; Governance</b>	1	Briefly describe the organization's mission or most significant activities: <b>TO PROVIDE LEGAL ASSISTANCE &amp; HOUSING COUNSELING TO THE UNDERPRIVILEGED CITIZENS OF NORTH ARKANSAS.</b>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>21</b>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>21</b>
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	<b>5</b>	<b>64</b>
	6	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>174</b>
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0</b>
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 38	<b>7b</b>	<b>0</b>	
<b>Revenue</b>	8	Contributions and grants (Part VIII, line 1h)	Prior Year <b>476,937</b>	Current Year <b>389,986</b>
	9	Program service revenue (Part VIII, line 2g)	<b>2,408,838</b>	<b>2,688,002</b>
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>4,450</b>	<b>13,344</b>
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>43,742</b>	<b>54,742</b>
	12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,933,967</b>	<b>3,146,074</b>
<b>Expenses</b>	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		<b>0</b>
	14	Benefits paid to or for members (Part IX, column (A), line 4)		<b>0</b>
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	<b>2,202,454</b>	<b>2,413,677</b>
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		<b>0</b>
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶	<b>0</b>	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	<b>415,440</b>	<b>462,909</b>
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<b>2,617,894</b>	<b>2,876,586</b>
	19	Revenue less expenses. Subtract line 18 from line 12	<b>316,073</b>	<b>269,488</b>
<b>Net Assets or Fund Balances</b>	20	Total assets (Part X, line 16)	Beginning of Current Year <b>1,620,661</b>	End of Year <b>1,905,532</b>
	21	Total liabilities (Part X, line 26)	<b>542,937</b>	<b>558,320</b>
	22	Net assets or fund balances. Subtract line 21 from line 20	<b>1,077,724</b>	<b>1,347,212</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <p style="text-align: center;"><b>LEE RICHARDSON</b></p> Type or print name and title	Date <p style="text-align: center;"><b>EXECUTIVE DIRECTOR</b></p>
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<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>ZEKE JONES</b>	Preparer's signature <b>ZEKE JONES</b>	Date <b>03/19/19</b>	Check <input type="checkbox"/> if self-employed PTIN <b>P00799564</b>
	Firm's name ▶ <b>Yoakum, Lovell &amp; Company, PLC</b>			Firm's EIN ▶ <b>71-0783492</b>
	Firm's address ▶ <b>1106 Military Rd Benton, AR 72015-2909</b>			Phone no. <b>501-778-0495</b>

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III

**1** Briefly describe the organization's mission:

**TO PROVIDE LEGAL ASSISTANCE & HOUSING COUNSELING TO THE UNDERPRIVILEGED CITIZENS OF NORTH ARKANSAS.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ **2,594,094** including grants of \$ ) (Revenue \$ )

**TO PROVIDE LEGAL SERVICES TO LOW INCOME INDIVIDUALS.**

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**N/A**

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**N/A**

**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **2,594,094**

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O.	X	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X

**Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)**

		Yes	No
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	<b>64</b>
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<b>2b</b>	<b>X</b>
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	<b>X</b>
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	<b>3b</b>	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	<b>X</b>
<b>b</b>	If "Yes," enter the name of the foreign country: <b>▶</b> See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	<b>X</b>
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	<b>X</b>
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>	<b>X</b>
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>	
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	<b>X</b>
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>	
<b>15</b>	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	<b>15</b>	<b>X</b>
<b>16</b>	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	<b>16</b>	<b>X</b>

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		<b>X</b>
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<b>X</b>
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<b>X</b>
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		<b>X</b>
<b>6</b>	Did the organization have members or stockholders?		<b>X</b>
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		<b>X</b>
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		<b>X</b>
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	<b>X</b>	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	<b>X</b>	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<b>X</b>

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		<b>X</b>
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<b>X</b>	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	<b>X</b>	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<b>X</b>	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<b>X</b>	
<b>13</b>	Did the organization have a written whistleblower policy?	<b>X</b>	
<b>14</b>	Did the organization have a written document retention and destruction policy?		<b>X</b>
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	<b>X</b>	
<b>15b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	<b>X</b>	
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		<b>X</b>
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **None**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website    Another's website    Upon request    Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **▶**

**LEGAL AID OF ARKANSAS**  
**JONESBORO**

**714 SOUTH MAIN ST.**

**AR 72401**

**870-972-9224**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) <b>VILMA ASENCIO</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(2) <b>DENNIS BLACKMORE</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(3) <b>NEAL BURNS</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(4) <b>LORI CHUMBLER</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(5) <b>FULLER BUMPERS</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(6) <b>NIKI CUNG</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(7) <b>PAMELA HAUN</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(8) <b>MARY HODGES</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(9) <b>HELEN JENKINS</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(10) <b>DONNA PRICE</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(11) <b>VAL P. PRICE</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(12) <b>FAYE REED</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(13) <b>STEVEN DAVIS</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(14) <b>ANNIE SMITH</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(15) <b>ASHLIE THACKER</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(16) <b>CURTIS WALKER</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(17) <b>DEMETRE WALKER</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(18) <b>RENE WARD</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(19) <b>TIM WATSON JR.</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
<b>1b Sub-total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>							<b>104,986</b>		<b>10,524</b>	
<b>d Total (add lines 1b and 1c)</b>							<b>104,986</b>		<b>10,524</b>	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns	<b>1a</b>				
	<b>b</b> Membership dues	<b>1b</b>				
	<b>c</b> Fundraising events	<b>1c</b>				
	<b>d</b> Related organizations	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	<b>389,986</b>			
	<b>g</b> Noncash contributions included in lines 1a-1f: \$					
	<b>h Total.</b> Add lines 1a-1f		<b>389,986</b>			
<b>Program Service Revenue</b>	<b>2a</b> <b>Program Service Revenue</b>	<b>Busn. Code</b>	<b>2,688,002</b>	<b>2,688,002</b>		
	<b>b</b>					
	<b>c</b>					
	<b>d</b>					
	<b>e</b>					
	<b>f</b> All other program service revenue					
	<b>g Total.</b> Add lines 2a-2f		<b>2,688,002</b>			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		<b>13,344</b>	<b>13,344</b>		
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6a</b> Gross rents	(i) Real				
		(ii) Personal				
	<b>b</b> Less: rental exps.					
	<b>c</b> Rental inc. or (loss)					
	<b>d</b> Net rental income or (loss)					
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
	<b>b</b> Less: cost or other basis & sales exps.					
	<b>c</b> Gain or (loss)					
	<b>d</b> Net gain or (loss)					
	<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>				
		<b>b</b> Less: direct expenses	<b>b</b>			
<b>c</b> Net income or (loss) from fundraising events						
<b>9a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>					
	<b>b</b> Less: direct expenses	<b>b</b>				
<b>c</b> Net income or (loss) from gaming activities						
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>a</b>					
	<b>b</b> Less: cost of goods sold	<b>b</b>				
<b>c</b> Net income or (loss) from sales of inventory						
Miscellaneous Revenue		<b>Busn. Code</b>				
<b>11a</b> <b>MISCELLANEOUS</b>			<b>54,742</b>	<b>54,742</b>		
<b>b</b>						
<b>c</b>						
<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d			<b>54,742</b>			
<b>12 Total revenue.</b> See instructions.			<b>3,146,074</b>	<b>2,756,088</b>	<b>0</b>	<b>0</b>

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	<b>2,057,794</b>	<b>1,864,239</b>	<b>193,555</b>	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	<b>355,883</b>	<b>335,269</b>	<b>20,614</b>	
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	<b>15,000</b>	<b>15,000</b>		
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion				
13 Office expenses	<b>86,880</b>	<b>65,201</b>	<b>21,679</b>	
14 Information technology				
15 Royalties				
16 Occupancy	<b>51,638</b>	<b>50,017</b>	<b>1,621</b>	
17 Travel	<b>137,253</b>	<b>114,592</b>	<b>22,661</b>	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	<b>9,415</b>	<b>9,415</b>		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	<b>14,932</b>	<b>14,932</b>		
23 Insurance	<b>24,778</b>	<b>16,437</b>	<b>8,341</b>	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>Telephone</b>	<b>49,441</b>	<b>36,340</b>	<b>13,101</b>	
b <b>Repairs and Maintenance</b>	<b>19,156</b>	<b>19,156</b>		
c <b>Library</b>	<b>16,781</b>	<b>16,781</b>		
d <b>Professional Dues</b>	<b>16,752</b>	<b>15,832</b>	<b>920</b>	
e All other expenses	<b>20,883</b>	<b>20,883</b>		
25 Total functional expenses. Add lines 1 through 24e	<b>2,876,586</b>	<b>2,594,094</b>	<b>282,492</b>	<b>0</b>
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash—non-interest bearing	1,258,836	1	1,499,822
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	44,446	4	103,169
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	35,255	9	34,613
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 657,219		
	b Less: accumulated depreciation	10b 394,815	10c 277,336	262,404
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	4,788	15	5,524
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	1,620,661	16	1,905,532	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	159,887	17	181,909
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	190,833	23	173,312
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	192,217	25	203,099
	26 <b>Total liabilities.</b> Add lines 17 through 25	542,937	26	558,320
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets	986,047	27	1,199,732
	28 Temporarily restricted net assets	91,677	28	147,480
	29 Permanently restricted net assets		29	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	1,077,724	33	1,347,212	
34 Total liabilities and net assets/fund balances	1,620,661	34	1,905,532	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	<b>3,146,074</b>
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	<b>2,876,586</b>
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	<b>269,488</b>
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	<b>1,077,724</b>
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	<b>1,347,212</b>

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<b>X</b>
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<b>X</b>	
<b>2c</b>	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	<b>X</b>	
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	<b>X</b>	
<b>3b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	<b>X</b>	

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(20) <b>KACHIA PHILLIPS</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(21) <b>RON WILSON</b>	0.00									
BOARD MEMBER	0.00			X			0	0	0	
(22) <b>LEE RICHARDSON</b>	40.00									
EXECUTIVE DIRECTOR	0.00				X		104,986	0	10,524	
<b>1b Sub-total</b>							<b>104,986</b>		<b>10,524</b>	
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>										

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No. 1545-0047

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

**2018**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ.**

**Open to Public Inspection**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

Name of the organization

**LEGAL AID OF ARKANSAS**

Employer identification number

**71-0439977**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: .....
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: .....
- 10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations .....
  - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2,632,526	2,740,549	2,658,044	2,885,775	3,077,988	13,994,882
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3	2,632,526	2,740,549	2,658,044	2,885,775	3,077,988	13,994,882
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6</b> Public support. Subtract line 5 from line 4						13,994,882

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>7</b> Amounts from line 4	2,632,526	2,740,549	2,658,044	2,885,775	3,077,988	13,994,882
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	2,094	1,888	2,995	4,450	13,344	24,771
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>11 Total support.</b> Add lines 7 through 10						14,019,653

**12** Gross receipts from related activities, etc. (see instructions) 12 2,511,772

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	99.82 %
<b>15</b> Public support percentage from 2017 Schedule A, Part II, line 14	<b>15</b>	99.90 %

**16a 33 1/3% support test—2018.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

**b 33 1/3% support test—2017.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶

**17a 10%-facts-and-circumstances test—2018.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here**. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶

**b 10%-facts-and-circumstances test—2017.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here**. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶

**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2017 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2017 Schedule A, Part III, line 17	<b>18</b>	%

- 19a 33 1/3% support tests—2018.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2017.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations (continued)**

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>11a</b>		
<b>b</b> A family member of a person described in (a) above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>1</b>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>1</b>		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>2</b>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
<b>3</b>		

**Section E. Type III Functionally-Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
<b>2a</b>		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
<b>2b</b>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
<b>3a</b>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		
<b>3b</b>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

7  Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in <b>Part VI</b> ). See instructions.	
7 <b>Total annual distributions.</b> Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required-explain in <b>Part VI</b> ). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013 .....			
b From 2014 .....			
c From 2015 .....			
d From 2016 .....			
e From 2017 .....			
f <b>Total</b> of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
7 <b>Excess distributions carryover to 2019.</b> Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014 .....			
b Excess from 2015 .....			
c Excess from 2016 .....			
d Excess from 2017 .....			
e Excess from 2018 .....			



SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization

Employer identification number

LEGAL AID OF ARKANSAS

71-0439977

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... Yes No, 6 Did the organization inform all grantees... Yes No.

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements, 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution, 3 Number of conservation easements modified, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy..., 6 Staff and volunteer hours..., 7 Amount of expenses..., 8 Does each conservation easement..., 9 In Part XIII, describe how the organization reports...

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: Revenue, Assets. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report..., 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report..., 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain...

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

**3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a**  Public exhibition
- b**  Scholarly research
- c**  Preservation for future generations
- d**  Loan or exchange programs
- e**  Other .....

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

**b** If "Yes," explain the arrangement in Part XIII and complete the following table:

- c** Beginning balance .....
- d** Additions during the year .....
- e** Distributions during the year .....
- f** Ending balance .....

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

**2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII  Yes  No

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance .....					
<b>b</b> Contributions .....					
<b>c</b> Net investment earnings, gains, and losses .....					
<b>d</b> Grants or scholarships .....					
<b>e</b> Other expenditures for facilities and programs .....					
<b>f</b> Administrative expenses .....					
<b>g</b> End of year balance .....					

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ ..... %
- b** Permanent endowment ▶ ..... %
- c** Temporarily restricted endowment ▶ ..... %

The percentages on lines 2a, 2b, and 2c should equal 100%.

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations .....
- (ii) related organizations .....

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? .....

**4** Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land .....		<b>8,000</b>		<b>8,000</b>
<b>b</b> Buildings .....		<b>443,269</b>	<b>204,930</b>	<b>238,339</b>
<b>c</b> Leasehold improvements .....		<b>83,748</b>	<b>67,683</b>	<b>16,065</b>
<b>d</b> Equipment .....		<b>122,202</b>	<b>122,202</b>	
<b>e</b> Other .....				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) **262,404**



**Part VII Investments—Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments—Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>DEFERRED SUPPORT</b>	<b>197,575</b>
(3) <b>CLIENT DEPOSITS</b>	<b>5,524</b>
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	<b>203,099</b>

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII





**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2018**

**Open to Public  
Inspection**

Name of the organization

**LEGAL AID OF ARKANSAS**

Employer identification number

**71-0439977**

**Form 990, Part VI, Line 11b - Organization's Process to Review Form 990**

**EXECUTIVE DIRECTOR REVIEWS 990 PRIOR TO SIGNING AND MAILING THE RETURN.**

**Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy**

**The board members sign a form annually.**

**Form 990, Part VI, Line 15a - Compensation Process for Top Official**

**THE BOARD OF DIRECTORS USES COMPARABILITY DATA TO DETERMINE WAGES.**

**Form 990, Part VI, Line 15b - Compensation Process for Officers**

**THE BOARD OF DIRECTORS USES COMPARABILITY DATA TO DETERMINE WAGES.**

**Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation**

**The organization makes its governing documents, conflict of interest  
policy, and financial statements available to the public upon request.**

Form <b>990</b>	<b>Two Year Comparison Report</b>	<b>2017 &amp; 2018</b>
For calendar year 2018, or tax year beginning _____, ending _____		

Name

Taxpayer Identification Number

**LEGAL AID OF ARKANSAS****71-0439977**

		2017	2018	Differences
<b>Revenue</b>	1. Contributions, gifts, grants	476,937	389,986	-86,951
	2. Membership dues and assessments			
	3. Government contributions and grants			
	4. Program service revenue	2,408,838	2,688,002	279,164
	5. Investment income	4,450	13,344	8,894
	6. Proceeds from tax exempt bonds			
	7. Net gain or (loss) from sale of assets other than inventory			
	8. Net income or (loss) from fundraising events			
	9. Net income or (loss) from gaming			
	10. Net gain or (loss) on sales of inventory			
	11. Other revenue	43,742	54,742	11,000
	<b>12. Total revenue.</b> Add lines 1 through 11	<b>2,933,967</b>	<b>3,146,074</b>	<b>212,107</b>
<b>Expenses</b>	13. Grants and similar amounts paid			
	14. Benefits paid to or for members			
	15. Compensation of officers, directors, trustees, etc.			
	16. Salaries, other compensation, and employee benefits	2,202,454	2,413,677	211,223
	17. Professional fundraising fees			
	18. Other professional fees	15,000	15,000	
	19. Occupancy, rent, utilities, and maintenance	47,669	51,638	3,969
	20. Depreciation and Depletion	14,465	14,932	467
	21. Other expenses	338,306	381,339	43,033
	<b>22. Total expenses.</b> Add lines 13 through 21	<b>2,617,894</b>	<b>2,876,586</b>	<b>258,692</b>
	<b>23. Excess or (Deficit).</b> Subtract line 22 from line 12	<b>316,073</b>	<b>269,488</b>	<b>-46,585</b>
<b>Other Information</b>	24. Total exempt revenue	2,933,967	3,146,074	212,107
	25. Total unrelated revenue			
	26. Total excludable revenue	2,457,030	2,756,088	299,058
	27. Total assets	1,620,661	1,905,532	284,871
	28. Total liabilities	542,937	558,320	15,383
	29. Retained earnings	1,077,724	1,347,212	269,488
	30. Number of voting members of governing body	21	21	
	31. Number of independent voting members of governing body	21	21	
	32. Number of employees	58	64	
	33. Number of volunteers	204	174	

Form <b>990</b>	<b>Tax Return History</b>	<b>2018</b>
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Name <b>LEGAL AID OF ARKANSAS</b>	Employer Identification Number <b>71-0439977</b>
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	2014	2015	2016	2017	2018	2019
Contributions, gifts, grants	405,002	537,082	386,080	476,937	389,986	389,986
Membership dues						
Program service revenue	2,227,524	2,203,467	2,271,964	2,408,838	2,688,002	2,688,002
Capital gain or loss						
Investment income	2,094	1,888	2,995	4,450	13,344	13,344
Fundraising revenue (income/loss)						
Gaming revenue (income/loss)						
Other revenue	7,418	8,953	29,611	43,742	54,742	54,742
<b>Total revenue</b>	<b>2,642,038</b>	<b>2,751,390</b>	<b>2,690,650</b>	<b>2,933,967</b>	<b>3,146,074</b>	<b>3,146,074</b>
Grants and similar amounts paid						
Benefits paid to or for members						
Compensation of officers, etc.						
Other compensation	2,234,226	2,157,242	2,118,090	2,202,454	2,413,677	2,413,677
Professional fees	15,000	15,000	15,000	15,000	15,000	15,000
Occupancy costs	51,524	52,486	55,422	47,669	51,638	51,638
Depreciation and depletion	15,129	14,443	14,114	14,465	14,932	14,932
Other expenses	422,543	361,206	328,063	338,306	381,339	381,339
<b>Total expenses</b>	<b>2,738,422</b>	<b>2,600,377</b>	<b>2,530,689</b>	<b>2,617,894</b>	<b>2,876,586</b>	<b>2,876,586</b>
<b>Excess or (Deficit)</b>	<b>-96,384</b>	<b>151,013</b>	<b>159,961</b>	<b>316,073</b>	<b>269,488</b>	<b>269,488</b>
<b>Total exempt revenue</b>	<b>2,642,038</b>	<b>2,751,390</b>	<b>2,690,650</b>	<b>2,933,967</b>	<b>3,146,074</b>	<b>3,146,074</b>
Total unrelated revenue						
Total excludable revenue	2,237,036	2,214,308	2,304,570	2,457,030	2,756,088	2,756,088
Total Assets	881,237	1,008,155	1,146,543	1,620,661	1,905,532	1,905,532
Total Liabilities	430,560	406,465	384,892	542,937	558,320	558,320
Net Fund Balances	450,677	601,690	761,651	1,077,724	1,347,212	1,347,212

**Federal Statements****Form 990, Part IX, Line 24e - All Other Expenses**

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>
Contract Services	\$ 10,917	\$ 10,917	\$	\$
Litigation	6,881	6,881		
Misc. Expenses	3,085	3,085		
Total	<u>\$ 20,883</u>	<u>\$ 20,883</u>	<u>\$ 0</u>	<u>\$ 0</u>

**LEGAL AID OF ARKANSAS**  
 ACTUAL REVENUE & EXPENDITURES  
 FOR THE PERIOD JANUARY 1 THRU FEBRUARY 28, 2019

Line#	Revenue:	2019 Approved Budget	FEB 2019 Actual	Dec 2018 Actual	Dec 2017 Actual
1	LSC BASIC GRANT (FY19 Appropriation Inceas-est \$17,480)	\$1,460,547.00	\$243,427.00	\$1,557,645.00	\$1,469,531.00
2	Ark Adm Justice Funds	\$250,213.86	\$41,702.30	\$250,213.80	\$250,213.80
3	STOP/VAWA/VOCA	\$229,000.00	\$18,554.72	\$149,055.50	\$116,555.02
4	HUD	\$93,750.00	\$0.00	\$84,769.00	\$0.00
5	IOLTA (rec'd letter 01/29/2019 for \$77,200)	\$20,000.00	\$0.00	\$20,350.00	\$0.00
6	IOLTA-Housing Foreclosure	\$262,378.00	\$109,324.55	\$262,378.92	\$282,743.83
7	AATJF-Fair Housing Special Grant - 2018/2019 (2019-5/months)	\$42,916.67	\$42,916.67	\$85,520.83	\$35,612.50
8	IRS-LITC	\$60,000.00	\$0.00	\$60,000.00	\$60,000.00
34	National Health Law Program	\$45,833.33	\$32,500.00	\$58,333.33	\$4,166.67
9	MLP-EJW&ACH	\$145,000.00	\$8,733.33	\$156,915.72	\$132,870.41
10	Georgetown University	\$0.00	\$0.00	\$0.00	\$16,666.67
11	ST VINCENT	\$0.00	\$0.00	\$33,333.33	\$31,666.67
12	Equal Justice Works-CVJC (2018-2020)	\$58,092.00	\$0.00	\$31,084.90	\$0.00
13	Equal Justice Works-AMC	\$0.00	\$0.00	\$24,045.60	\$30,002.25
14	Americorps (Includes CALS Funds and Summer Project)	\$0.00	\$0.00	\$0.00	\$57,447.69
16	AR CARE	\$0.00	\$0.00	\$0.00	\$0.00
17	Affordable Care Act	\$0.00	\$0.00	\$0.00	\$0.00
18	Modest Means	\$0.00	\$0.00	\$0.00	\$225.00
19	AAA-White River	\$2,000.00	\$0.00	\$2,443.75	\$2,262.50
20	AAA-East Arkansas	\$35,000.00	\$2,900.00	\$35,000.00	\$35,000.00
21	AAA NWA	\$9,560.50	\$0.00	\$10,500.00	\$10,836.75
22	UW-Boone Cnty	\$0.00	\$0.00	\$2,500.00	\$2,000.00
23	UW-Bly	\$3,000.00	\$600.00	\$3,000.00	\$3,000.00
24	UW-NW Ark	\$37,500.00	\$13,215.50	\$78,810.87	\$87,815.58
25	UW-NE Ark	\$13,125.00	\$2,187.50	\$15,909.00	\$15,909.00
26	UW-NCA (Independence Cnty)	\$4,000.00	\$0.00	\$3,000.00	\$4,000.00
27	UW-Mid South	\$3,010.00	\$2,500.00	\$4,005.00	\$3,915.63
28	ADHS-DAAS	\$0.00	\$0.00	\$0.00	\$10,528.89
29	Washington County Law Library	\$12,500.00	\$2,400.00	\$14,400.00	\$12,500.04
30	Other- Ark Adv / CALS / Natual Wonders	\$27,727.00	\$9,431.75	\$49,741.95	\$27,322.41
31	Donations	\$100,000.00	\$229.57	\$131,400.60	\$146,640.67
32	Interest income	\$16,200.00	\$3,998.42	\$13,344.28	\$4,450.27
33	Attorney fees	\$4,000.00	\$2,100.00	\$3,700.00	\$80,082.32
34	RACES-NEA LawDay & NWA Judicata	\$0.00	\$0.00	\$4,671.35	\$0.00
<b>35</b>	<b>Revenue (excludes carryOver)</b>	<b>\$2,935,353.36</b>	<b>\$536,721.31</b>	<b>\$3,146,072.73</b>	<b>\$2,933,965.57</b>



**LEGAL AID OF ARKANSAS**  
 ACTUAL REVENUE & EXPENDITURES  
 FOR THE PERIOD JANUARY 1 THRU FEBRUARY 28, 2019

36	<b>Expenses:</b>	2019 Approved Budget	FEB 2019 Actual	Dec 2018 Actual	Dec 2017 Actual
37	Total-Attny(excludes AMC&EJW; Includes ACH/EJW-MLP)	\$1,665,297.76	\$243,425.42	\$1,481,155.01	\$1,247,427.62
38	Total-Paralegals	\$216,470.00	\$32,533.25	\$205,722.64	\$246,107.17
39	Total-Other	\$416,092.29	\$58,542.04	\$336,556.85	\$279,755.70
40	Total-Americorps	\$0.00	\$0.00	\$0.00	\$67,599.02
41	Total-EJW ( Living Allow&Suppl Benefits)	\$0.00	\$0.00	\$34,359.96	\$43,271.06
42	Benefits Budgeted (includes Americorp & EJW benefits)	\$413,614.81	\$76,730.06	\$355,883.38	\$318,250.58
43	<b>Grand Total of All Payroll</b>	<b>\$2,711,474.86</b>	<b>\$411,230.77</b>	<b>\$2,413,677.84</b>	<b>\$2,202,411.15</b>
44					
45	Space Rent (HA \$675/\$725, WM\$600, Helena \$275/470)	\$42,900.00	\$6,668.55	\$23,372.62	\$19,950.00
46	Space Other Expenses	\$39,300.00	\$3,405.45	\$28,264.58	\$27,718.97
47	Equipment Rental&Maint	\$21,000.00	\$3,382.28	\$19,156.34	\$20,881.03
48	Office Supplies	\$57,500.00	\$6,297.77	\$65,020.35	\$37,371.02
49	Postage /Printing	\$16,000.00	\$1,814.11	\$13,688.64	\$15,419.05
50	Communication Expense	\$45,000.00	\$9,481.71	\$49,440.69	\$53,317.93
51	Travel Board Members & Mtg Supplies	\$4,500.00	\$0.00	\$1,978.76	\$1,854.84
52	Travel Staff & Others	\$67,000.00	\$6,386.59	\$76,592.46	\$72,297.79
53	Training-Board Members	\$3,500.00	\$0.00	\$0.00	\$1,920.76
54	Training-Staff & Other	\$47,500.00	\$5,392.21	\$58,682.04	\$40,044.25
55	Library	\$15,000.00	\$2,160.00	\$16,781.32	\$15,205.22
56	Insurance-Prof Liab, Prop & Gen Liab	\$29,541.96	\$20,899.24	\$24,777.89	\$27,365.51
57	Dues & fees	\$18,500.00	\$10,672.50	\$16,752.00	\$17,050.50
58	Audit	\$15,000.00	\$0.00	\$15,000.00	\$15,000.00
59	Litigation	\$10,000.00	(\$590.74)	\$6,881.29	\$7,332.83
60	Advertising	\$4,500.00	\$149.71	\$8,168.59	\$8,313.67
61	Property Acquisition	\$0.00	\$4,944.00	\$0.00	\$0.00
62	Contract Services to Applicant to ALSP				
63	Depreciation ( no affect on Cash)	\$14,931.67	\$14,717.49	\$14,931.67	\$14,465.18
64	Other (Contract Labor)	\$9,700.00	\$2,688.43	\$10,917.05	\$10,575.90
65	RACE-NEA LawDay	\$0.00	\$0.00	\$3,084.97	\$0.00
66	TIG(Ben&Wages included above in Payroll Exp)				
67	SPG Bldg Loan Pmts ( interest Exp )	\$9,396.00	\$1,584.00	\$9,414.82	\$9,396.57
68					
69	<b>Total Non-Personnel Exp</b>	<b>\$470,769.63</b>	<b>\$100,053.30</b>	<b>\$462,906.08</b>	<b>\$415,481.02</b>
70					
71	<b>TOTAL EXPENSES</b>	<b>\$3,182,244.49</b>	<b>\$511,284.07</b>	<b>\$2,876,583.92</b>	<b>\$2,617,892.17</b>
72					
73	<b>Revenues over(under)Exp(excluding carryover)</b>	<b>(\$246,891.13)</b>	<b>\$25,437.24</b>	<b>\$269,488.81</b>	<b>\$316,073.40</b>
74	<b>Net Assets Beginning of Year (includes PROPERTY &amp; Carryover/Reserves)</b>	<b>1,347,212.71</b>	<b>1,347,212.71</b>	<b>1,077,723.90</b>	<b>\$761,650.50</b>
75	<b>Net Assets at End of Year(includes PROPERTY&amp;carryover/Reserves)</b>	<b>1,100,321.58</b>	<b>1,372,649.95</b>	<b>1,347,212.71</b>	<b>1,077,723.90</b>
76	<b>Monthly Average Expenses &gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;</b>	<b>\$265,187.04</b>	<b>\$255,642.04</b>	<b>\$239,715.33</b>	<b>\$218,157.68</b>
77	<b>Average Monthly Exp in Unrestricted CarryOver(Reserves)</b>	<b>3.50</b>	<b>3.63</b>	<b>3.87</b>	<b>3.17</b>

Reconciliation to Cougar:					
	Excess Revenue Over (under) Exp - per this Rpt		\$25,437.24	\$269,488.81	\$316,073.40
	Cash used for Non-Exp Item- Prin Loan Pmts-Spg Bld - Less Depr Exp		0.00	0.00	0.00
	Reconciliation Amt-Excess Rev Over (Under) Exp		\$25,437.24	\$269,488.81	\$316,073.40
	From Cougar Mnt Software Rpt		25,437.24	269,488.81	316,073.40
	Reconciled to Cougar Mntn or Difference Amt>>>>		(\$0.00)	(\$0.00)	(\$0.00)

# LEGAL AID OF ARKANSAS, INC (LEGFND)

## Detailed Balance Sheet

As of: 2/28/2019

3/11/2019 10:38:44 PM

All Funds

Page 1

### Assets

10-00-100	CASH - BANK OF FAYETTEVILLE	292,528.25
10-00-102	CD - IBERIA BANK	100,000.00
10-00-103	FIRST SECURITY BANK MM	126,816.97
10-00-105	CASH-IN-BANK - B.O.F. LITC	20.00
10-00-110	CLIENTS TRUST BANK ACCTS	6,876.02
10-00-111	CASH-FIRST SECURITY BANK-GENERAL	960,765.07
10-00-140	PREPAID EXPENSES	1,635.00
10-00-150	LAND	8,000.00
10-00-151	BUILDINGS	443,268.98
10-00-155	FURNITURE & EQUIPMENT	122,201.89
10-00-170	LEASEHOLD IMPROVEMENTS	83,747.81
10-00-180	ACCUMULATED DEPRECIATION	(409,532.12)



### Total Assets

**\$1,736,327.87**

### Liabilities

10-00-200	ACCOUNTS PAYABLE	(500.00)
10-00-204	CLIENTS TRUST	6,751.02
10-00-210	UNITED WAY W/H	434.00
10-00-213	GROUP INS. W/H & PAYABLE	(19,513.96)
10-00-214	RETIREMENT W/H & PAYABLE	(4.13)
10-00-220	ACCRUED LEAVE	84,047.17
10-00-240	DEFERRED SUPPORT	121,712.00
10-00-245	NOTE PAYABLE-FIRST SECURITY	170,751.82

### Total Liabilities

**\$363,677.92**

### Net Assets

10-00-301	NET ASSETS - LSC	119,882.29
10-00-303	Net Assets-Property Restricted	24,472.18
10-00-304	NET ASSETS-DONATIONS RESERVE	150,000.00
10-00-305	NET ASSETS-DONATIONS-Unrestricted	584,299.40
10-00-306	Net Assets-Property Unrestricted	64,620.24
10-00-320	NET ASSETS- ARK FILING FEES	400,813.50
10-00-326	NET ASSETS-OTHER	3,125.10
	Excess Revenues Over Expenses	25,437.24

### Total Net Assets

**\$1,372,649.95**

### Total Liabilities and Net Worth

**\$1,736,327.87**

**LEGAL AID OF ARKANSAS**  
**2019 FINANCIAL ELIGIBILITY GUIDELINES**

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INTRODUCTION

All applications accepted for legal assistance and funded by Legal Services Corporation (LSC) annual grant awards or by other sources requiring a financial eligibility determination “means-test” must be screened for total household income and assets. Only those individuals and groups determined to be financially eligible may receive legal assistance supported with LSC funds. Applicants whose total household income and/or assets exceed the limits set forth by LSC or funding sources requiring a “means-test” can be accepted for legal assistance, but only in certain situations. These include the existence of an alternative funding source which doesn’t require a financial eligibility determination and the applicant meets specific conditions set forth by the funding source, e.g., cases funded by Area Agencies on Aging using Title III funds require the applicant to be 60 years of age or older.

INCOME

The Board of Directors reviews and adopts income eligibility guidelines for applicants. These guidelines are based on the Federal Poverty Income Guidelines, published each year in the Federal Register. Pursuant to 45 CFR §1611.3, an applicant whose total household income is at or below 125% of the guidelines, or national eligibility level, is “income-eligible” and can be provided legal assistance if other requisites for case acceptance, such as priority, case type and citizenship or legal alien status, are met. When new Income Guidelines are published in the Federal Register, they are immediately effective in determining eligibility and shall be presented to the LAA board at the next regular scheduled meeting.

Total household income is considered when determining the eligibility of an applicant for services and will include only the income of persons who are resident members of, and contribute to, the support of a family unit. Legal Aid, for the purpose of eligibility, defines family unit as persons who live together and have a legal obligation of support for one another; or who live together and function as though there is a legal obligation of support, such as unmarried partners. In addition, an applicant for assistance may choose to count as a member of the family unit any other person(s) residing in the same household who is claimed by a member of the family unit as a tax dependent. A temporary guest or person who has been displaced by trafficking or domestic violence will not be considered a member of a family unit.

The opposing party’s income and assets, or jointly held assets, shall not be considered for eligibility purposes, even if the opposing party would otherwise be considered a household member.

Exceptions are authorized by 45 CFR §1611.5 so long as gross income does not exceed 200% of the Federal Poverty Income Guidelines and the applicant meets the appropriate asset ceiling for the household size or the asset ceiling has been waived. However, one or more of the following factors must be present in order to consider granting a waiver:

**LEGAL AID OF ARKANSAS**  
**2019 FINANCIAL ELIGIBILITY GUIDELINES**

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1. The applicant is seeking legal assistance to obtain governmental benefits for low income individuals and families;
2. The applicant is seeking legal assistance to obtain or maintain governmental benefits for persons with disabilities;
3. Current income prospects, taking into account seasonal variations in income;
4. Unreimbursed medical expenses and medical insurance premiums;
5. Fixed debts and obligations;
6. Expenses such as dependent care, transportation, clothing and equipment expenses necessary for employment, job training or educational activities in preparation for employment;
7. Non-medical expenses associated with age or disability;
8. Current taxes; or
9. Other significant factors that the recipient has determined affect the applicant's ability to afford legal assistance.

If the total household income of the applicant, based on household size, is over 200% of the national eligibility level, the applicant is not considered for a waiver and not eligible for services using LSC funds.

WAIVER OF INCOME LIMIT

The decision to grant a waiver must be made by the Executive Director or designee. The determination that a waiver has been made must be noted on the client file in the case management system and the waiver determination must be on the standard waiver form contained in the CMS, citing which factor or factors listed above was used.

WHAT IS CONSIDERED "INCOME"

The definition of income is found in 45 CFR §1611.2(i). All sources of income are to be used in determining eligibility, with these exceptions:

1. SNAP benefits
2. Housing vouchers, food or rent in lieu of wages
3. Tax refunds
4. Funds withdrawn from a bank account
5. Gifts
6. Compensation and/or one-time insurance payments for injuries sustained
7. Any other non-cash benefit
8. Up to \$2,000 per year of funds received by individual Native Americans that is derived from Indian trust income or other distributions exempt by statute.

GROUP REPRESENTATION

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**LEGAL AID OF ARKANSAS**  
**2019 FINANCIAL ELIGIBILITY GUIDELINES**

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Legal Aid may provide legal assistance to a group, corporation or association, if it is primarily composed of persons eligible for legal assistance under 45 CFR Part §1611.6(A)(1); or under (A)(2) has as a principal activity the delivery of services to those persons in the community who would be financially eligible for LSC-funded legal assistance and the legal assistance sought relates to such activity, and information is provided that shows the group, corporation or association lacks, and has no practical means of obtaining, funds to retain private counsel.

DOMESTIC VIOLENCE

Notwithstanding any other provision of this policy, in assessing the income or assets of an applicant who is a victim of domestic violence, Legal Aid shall consider only the assets and income of the applicant and members of the applicant's household other than those of the alleged perpetrator of the domestic violence and shall not include any assets held by the alleged perpetrator of the domestic violence, jointly held by the applicant with the alleged perpetrator of the domestic violence, or assets jointly held by any member of the applicant's household with the alleged perpetrator of the domestic violence.

VERIFICATION OF INCOME

In certain circumstances, the previous year's income tax returns, bank statements, etc., can be requested, if necessary to verify an applicant's total household income.

ASSETS

Consistent with 45 CFR §1611.3(d)(1) Legal Aid has established guidelines for the determination of the total amount of assets applicants can hold seeking legal assistance and be eligible for services using LSC funding. These asset limits are subject to review on a yearly basis in conjunction with the review of income guidelines. Assets are cash or other resources of the applicant or members of the applicant's household that are readily convertible to cash, which are currently and actually available to the applicant. When setting asset limits, specific factors are taken into consideration, e.g., economy of the service area and the relative cost-of-living of low-income persons, to ensure the availability of services to those in the greatest economic and legal need. Also, special consideration shall be given to the legal needs of the elderly, the institutionalized, and the disabled.

Specific exclusions to an applicant's assets for determining eligibility include:

1. Principal residence of the applicant;
2. Reasonable equity value in work-related equipment, which is essential to the employment or self-employment of an applicant or member of the family unit, as long as the owner is attempting to produce income consistent with its fair market value;
3. The value of one automobile that is used for transportation per each adult member of the household, and one automobile that is used for transportation for each

**LEGAL AID OF ARKANSAS**  
**2019 FINANCIAL ELIGIBILITY GUIDELINES**

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- minor member of the household if the automobile is used for transportation by the minor to school or work;
4. Up to \$2,000 (\$3,250 if age 60 or older or disabled) in assets for an individual and \$3,000 (\$5,000 if at least one person in the household is age 60 or older or disabled) for a household, with assets meaning cash or other resources of the applicant or members of the applicant's household that are readily convertible to cash, which are currently and actually available to the applicant;
  5. Other assets which are exempt from attachment under state and federal law.

WAIVER OF ASSETS LIMIT

In certain unusual or extremely meritorious circumstances, consistent with 45 CFR §1611.3(d)(2), the Executive Director or designee may waive the assets limit. The waiver must be documented on the client intake form and copies of the waiver determination citing the circumstances included in the determination must be kept in both the hard-copy file and in a file maintained virtually and in the HelpLine manager's office.

CHANGE IN FINANCIAL ELIGIBILITY STATUS

Consistent with 45 CFR §1611.8, if after making a determination of financial eligibility and accepting a client for service, Legal Aid becomes aware that a client has become financially ineligible through a change in circumstances, Legal Aid shall discontinue representation supported with LSC funds if the change in circumstances is sufficient, and is likely to continue, to enable the client to afford private legal assistance, and discontinuation is not inconsistent with applicable rules of professional responsibility. Additionally, if Legal Aid, after making a determination of financial eligibility and accepting a client for service, determines that the client is financially ineligible on the basis of later discovered or disclosed information, Legal Aid shall discontinue representation supported with LSC funds if the discontinuation is not inconsistent with the applicable rules of professional responsibility.

**LEGAL AID OF ARKANSAS  
2019 FINANCIAL ELIGIBILITY GUIDELINES**

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<b>Size of Family Unit</b>	<b>National Eligibility Level*</b>	<b>Maximum Income Level**</b>
1	\$15,613	\$24,980
2	\$21,138	\$33,820
3	\$26,663	\$42,660
4	\$32,188	\$51,500
5	\$37,713	\$60,340
6	\$43,238	\$69,180
7	\$48,763	\$78,020
8	\$54,288	\$86,860

The figures in the column labeled **National Eligibility Level** represent 125% of the Federal Poverty Guidelines, as determined by the Department of Health and Human Services. The figures in the column labeled **Maximum Income Level** represent 200% of the Federal Poverty Guidelines. Applicants whose total household income falls below the **National Eligibility Level** are income-eligible for legal assistance. Applicants whose total household income does not exceed the **Maximum Income Level** are income-eligible for legal assistance if certain specific factors are present that would allow the income between the two levels to be waived. Under no circumstances will applicants whose total household income exceeds the **Maximum Income Level** be considered income-eligible for legal assistance using LSC funds, though assistance may be provided using alternate funds, where permitted by that funding source.

\*For each additional family member, add \$5,525

\*\*For each additional family member, add \$8,840

Each eligibility level is determined using **gross** income.

# MEDICAID WORK REQUIREMENTS:

## ONE YEAR IN & 18,000 OUT

## COMMUNITY FORUM

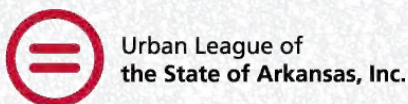
18,000 people have lost health insurance (Arkansas Works, Blue Cross, Ambetter, or Qualchoice) so far due to work requirements. Hear the full story, get help getting insurance back, and find out what's next after the big D.C. court case.

**CHILDREN** welcome. **FOOD** served. **LEGAL AID** on site.

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**TUESDAY, APRIL 16, 2019**  
**6-7:30 P.M.**

**WILLIE L. HINTON NEIGHBORHOOD RESOURCE CENTER**  
**3805 W. 12TH ST.**  
**LITTLE ROCK, AR 72204**



Keynote Speaker:  
**Virginia Eubanks**

Awarding-winning author of  
*Automating Inequality: How High-Tech Tools Police, Profile, and Punish the Poor*





**Check Signer Changes request March 30, 2019**

**First Security**

Add:

- Helen Gratil
- Trevor Hawkins
- Jordan Meador

## DIRECTOR'S REPORT

March 19, 2019

### National Developments

In mid-February Congress passed and the President signed a spending package to fully fund the government for FY 2019. The legislation included **\$415 million for LSC**. This is a \$5 million increase from FY 2018 -- \$4.5 million for Basic Field and \$500,000 for the Loan Repayment Assistance Program. The increase was unexpected considering that both the House and Senate appropriations committees approved level funding of \$410 million for LSC in their bills last summer. The table below shows the distribution of the funding increase across LSC's budget line items.

Budget Category	FY 2018 Appropriations	FY 2019 Appropriations	Change FY 2018-2019
Basic Field Grants	\$376,000,000	\$380,500,000	\$4,500,000
Technology Initiative Grants	\$4,000,000	\$4,000,000	\$0
Loan Repayment Assistance	\$1,000,000	\$1,500,000	\$500,000
Management and Grants Oversight	\$19,400,000	\$19,400,000	\$0
Pro Bono Innovation Fund	\$4,500,000	\$4,500,000	\$0
Office of Inspector General	\$5,100,000	\$5,100,000	\$0
<b>Total</b>	<b>\$410,000,000</b>	<b>\$415,000,000</b>	<b>\$5,000,000</b>

Funding in Arkansas breaks down as follows. Because of census reallocations, Legal Aid will receive \$79,618 less from LSC than we received in 2018.

Organization Name	Funding Component	Funding Estimate	Poverty Population
<b>Legal Aid of Arkansas, Inc.</b>	<b>Basic Field</b>	<b>\$1,478,027</b>	<b>177309</b>
Center for Arkansas Legal Services	Basic Field	\$2,350,621	281988
	TOTAL FOR STATE	\$3,828,648	459297

LSC's funding allocation is based on 100% of poverty, which is what the 177,309 alleges to represent. Our guidelines are 125% of poverty or below, which raises the number of potential clients eligible for services to 241,797. We have several grants that go up to 200% of poverty, and we can represent clients up to that level using LSC funds when certain factors are present. That raises the potential client pool to 431,812.

LSC will make a Program Quality Visit to Legal Aid the week of October 21<sup>st</sup>. We are overdue for this visit as the last one we hosted was in 2012. A team of LSC staff and contractors will spend the week in Arkansas, visit all of our offices, and ultimately write a report on their findings. The intent of the visit is to assess the quality of our delivery of legal services. The visiting team will wish to speak with as many board members as possible, so please plan accordingly. We will be in touch mid to late summer to start scheduling blocks of times for them to visit with some of you. The final report from the 2012 visit can be found at [this link](#).

Our LSC grant is up for competition in 2020. This happens every three years. We will submit a notice of intent to compete in April and expect the full application to be due in early June. We have had other organizations file a notice of intent to compete against us in the past, but no one has filed a full grant application.

We received preliminary notice that the Legal Services Corporation will hold a board meeting in Little Rock in January, 2020. Although the meeting will be in the Center for Arkansas Legal Services coverage area, Legal Aid of Arkansas will also be fully engaged. These events will consume significant Legal Aid administrative time over the balance of 2019.

The President's 2020 budget, highlites of which were released on March 11, calls for elimination of LSC. The White House said the program is "not an appropriate role for the federal government" because it "provides grant funding for legal assistance in local civil matters." LSC is requesting \$593 million in funding for 2020.

### **Program and Statewide Developments**

We closed 6,418 cases with 16,183 household members benefiting in 2018, up 2.7% from 2017. A detailed case statistical report is attached which shows cases closed by level of service and problem code. At the bottom of the CSR report you will see that 73.4% of cases were advice or limited services and 26.6% were extended services. The national average is 76.2% and 23.8% respectively. A significant majority of our clients were female, 74.8%, compared to 25.2% male. The racial makeup of those we served was fairly reflective of the poverty population in the service area, with 68.5% white, 22.7% black, 4.5% Hispanic, 1.8% Asian/Pacific Islander and 2.5% other/unknown/not collected.

The Arkansas Access to Justice Foundation Grants Committee will make site visits to our Jonesboro and Springdale offices on April 5<sup>th</sup> and May 3<sup>rd</sup> respectively. Between the regular IOLTA grant and distribution of Bank of America settlement funds, the Foundation gives Legal Aid over \$320,000 annually, making them our second biggest funding source behind LSC.

Last month we partnered with the Benton County Bar Association, Single Parent Scholarship Fund of Benton County, and the University Of Arkansas School Of Law to provide single parent scholarship recipients with basic estate planning documents. Assistance was provided to thirty single parents with close to 200 documents prepared. Pictures of the event can be found [here](#).

The next week we traveled to Helena/West Helena to join with our friends at Access to Justice Commission, Southern Bancorp, Friday, Eldredge & Clark, LLP and students from UA William H. Bowen School of Law in assisting 32 clients, most of who were using the services of the Southern Bancorp Volunteer Income Tax Assistance site. Photos are at this [link](#).

Our 9<sup>th</sup> annual Spring Break on the Road to Justice Project took place March 18-21 and included seven students from the Bowen School of Law in Little Rock and the University of Arkansas at Fayetteville School of Law. The students spent the week in Mountain View and prepared wills and other estate planning documents at Senior Citizens Centers in Brockwell (Izard County), Flippin (Marion County) and Mountain View (Stone County). Updates throughout the week can be found on the Legal Aid [Facebook page](#).

## **Case Examples**

### **Housing**

A Boone County woman applied for Section 8 (HCV) with a local housing authority. She requested a reasonable accommodation for a voucher for a 2-bedroom apartment. The basis of request was that applicant has fibromyalgia and needed extra space for medical equipment. Despite the fact that she had a note from a doctor, the housing authority made her jump through additional hoops including getting another letter. To make matters worse, a housing authority staff member told the woman that "she did not believe in Fibromyalgia." Legal Aid represented the woman before the Arkansas Fair Housing Commission. The matter was settled on terms favorable to the woman.

A Jackson county client contacted Legal Aid after she received notice from her landlord that because of the Gov't shutdown, she, and all of the residents in the complex would not only be responsible for their portion of the rent, but also for the portion that was subsidized. Client's portion of the rent was \$110, the subsidized portion was \$395. Client's income is SSI. She cannot afford to pay \$505 per month. Legal Aid intervened on behalf of the client. Landlord reversed its decision and decided not to attempt to charge any of the tenants for the subsidized portion of the rent. Without Legal Aid's intervention, not only would this tenant have been facing eviction but all the tenants in the complex would likely have faced eviction and homelessness.

### **Domestic Violence**

The client is the father of a five year old son. The child's mother dropped him off at the client's house and never returned. After a few months, the client was contacted by investigators and informed that his son's 4 year old sibling had recently been removed from the home the child previously lived in. The sibling had been sexually abused and tested positive for methamphetamine, heroin, and oxycodone. The investigator requested that our client take his son to Arkansas Children's Hospital for drug testing and possible trauma exposure/neglect/maltreatment. The client did so immediately. The client was referred to the Legal Aid MLP office to assist him with obtaining legal custody of his son. The mother began threatening to retrieve the child and Legal Aid filed for emergency and permanent custody. The client received full custody of his son and was awarded regular child support.

Petitioner and Respondent had a 10 year relationship, and two children together. They were never married. The Respondent was physically abusive to the Petitioner for the entire relationship. In 2015, the Respondent was arrested and charged with felony domestic battery after he broke the Petitioner's nose and tried to strangle her to death. Respondent was convicted of the felony offense, and spent a few days in jail, ordered to pay a fine, and complete 6 years of probation. Petitioner never filed for an Order of Protection during their relationship because the Respondent threatened to kill her if she did. Petitioner ended the relationship in early 2018, but Respondent continued to harass her and show up unannounced. Petitioner eventually filed for an Order of Protection and Legal Aid represented her. The Judge found entered an Order of Protection for 10 years on behalf of the Petitioner and her children against the Respondent.

### **Economic Justice**

Client has COPD, arthritis, and other chronic conditions, takes 10 medications, and sees several specialists. He became subject to the Arkansas Works work requirements. Although he gave DHS information that he was unable to work due to his conditions, DHS didn't process that as it should have so that he would be exempt. Two days before he was set to lose coverage, the client found through our Facebook posts. Legal Aid helped the client create an online account and reported an exemption for him. The client was able to maintain his insurance and all the medications and treatments he needs. Because he doesn't have access to a computer or internet, Legal Aid will help him report as needed moving forward.

### Consumer

An elderly Crittenden County lady lost her home and two cars in a house fire. For two years the lady tried to get money to replace her home. The home owner's policy refused payment because the title to the client's home had other people on the deed. A Legal Aid attorney intervened and successfully recovered policy limits (\$60,000) for the client. The car claims may result in additional funds for the client as she rebuilds her home.

A Craighead county client cleaned a hotel and the hotel refused to pay her wages. A Legal Aid attorney from the consumer unit got involved and made demand upon the company. We were able to recover \$10,000 for the client and the workers who helped her clean the motel.

An elderly client from Newton County came to Legal Aid of Arkansas when she was sued on a credit card taken out by her deceased husband. After discovery by a Legal Aid attorney, the Plaintiff failed to timely file responses. Legal Aid filed a motion to dismiss and the case was dismissed with prejudice saving the client \$9000.

### Grants/Contracts/Fundraising

Since the last board meeting, we have seen the following developments:

In early January, we received a donation for **\$9,600** from the Tyson Foods Legal Department. The donation was designated as being for 2018. Tyson also provided **\$3,000** for a summer intern in our Springdale office to assist with our United Way funded Children Living in Poverty project in Benton, Madison, and Washington County.

For the fourth year in a row, we received **\$5,000** in funding from LSC for a rural summer legal corps fellow. This fellow will work in our Helena office assisting with the Adverse Childhood Experiences project we are developing in Lee, Monroe, and Phillips County.

We received **\$10,000** from the Urban League of the State of Arkansas to further our work surrounding Medicaid and Medicaid expansion.

We submitted a letter of intent to apply for an LSC Private Attorney Involvement Innovation Fund grant and we were invited to submit a full application. Out of 55 letters of intent submitted, 29 programs were invited to submit a full application. We are asking for **\$232,433** to fund two additional positions focused on pro bono engagement for 24 months.

We submitted a letter of intent to apply for Children Living in Poverty funding from the United Way of Northwest Arkansas for the period July, 2019 to June, 2021. We were invited to complete a full application, which is due on April 10<sup>th</sup>. This grant, if awarded, essentially funds a staff attorney position in Northwest Arkansas that will focus on Adverse Childhood Experiences and give priority to families with children age 5 and under.

We have two HUD grant applications pending, one for **\$117,929** to continue our Education and Outreach Initiative efforts. The current grant for that expires at the end of March. The second application is for a Private Enforcement Initiative Grant for approximately **\$900,000** over three years. The PEI grant will be for services statewide and we will open an office in Little Rock to operate the program out of if funded.

Our IOLTA funding for 2019 has increased to **\$77,200**, up from \$20,350 in 2018. This increase reflects rising interest rates on lawyers trust accounts.

We submitted a grant application for **\$194,161** to the Health Resources and Services Administration for a project Legal Aid as a response to the opioid crisis in Arkansas. If funded, the project places free legal aid as a significant component of the coordinated response to the opioid crisis in rural areas of Northeast Arkansas.

Other grant applications under development would fund development of disaster legal aid resources and preparedness, a grant from the Administration for Community Living Legal Assistance Enhancement Program, and the renewal of two VOCA.

### **Staff Changes**

**Morgan O'Neil** had been serving as a fundraising/development VISTA in our Springdale office. She separated from Legal Aid prior to the end of her year of service, in late December. We are now contracting with her to provide 40 hours monthly fundraising/development support.

**Andrea Hope Howard** joined Legal Aid as a VISTA focused on helping get our ACEs project launched. She has been serving in our Helena-West Helena office since late January. Ms. Howard recently retired from an administrative position at Lee County Cooperative Clinic. She worked as a paralegal for East Arkansas Legal Services, then Legal Aid of Arkansas for several years prior to joining the Clinic in 2004.

We have commitments from a couple of talented VISTA's to start in May/June. **Karsen Sims** will transition from a part-time receptionist to a development/fundraising VISTA after graduating from the University of Arkansas this spring, while **Elizabeth Hemann** will join us after graduating from the College of Wooster in Ohio for the Capacity Building position.

**Hollie Greenway Wilson** worked for Legal Aid part-time previously and has returned as a temporary part-time employee while Barbara Griffin takes some time off. She is a member of the Consumer Work Group and has an office in Ash Flat (Sharp County).

**Jennifer Reynolds** joined us as a staff attorney at the Arkansas Children's Hospital Medical-Legal Partnership at the end of January. She joins Legal Aid after working as a special assistant for Circuit Judge Barry Sims in Pulaski County. A graduate of the Bowen School of Law in Little Rock, she has two decades of legal experience, including a stint at the White House Office of Counsel to the President, the Department of Agriculture, the Coast Guard, and the Office of General Counsel at the Inter-American Foundation. She is assigned to the Economic Justice Work Group.

**Samantha Davis**, legal support specialists in the Harrison office, has been promoted to paralegal in recognition of performance, skills gained over her past seven years at Legal Aid, and some independent course work. **Katheenya Willis**, legal support specialists in the West Memphis office, received a similar promotion for the same reason (over 10 years experience).

A current office directory and organizational chart are attached.

**Non-priority, non-emergency case types-** None

Legal Problem Code	A - Counsel and Advice	B - Limited Action (Brief Service)	F - Negotiated Settlement w/out Litigation	G - Negotiated Settlement with Litigation	H - Administrative Agency Decision	IA - Uncontested Court Decision	IB - Contested Court Decision	IC - Appeals	L - Extensive Service	Totals
01 Bankruptcy/Debtor Relief	156	9	0	0	0	19	0	0	7	191
02 Collect/Repo/Def/Garnsh	208	60	4	22	0	6	4	0	5	309
03 Contract/Warranties	68	13	6	1	0	0	1	0	0	89
04 Collection Practices / Creditor Harassment	2	2	0	0	0	0	0	0	0	4
05 Predatory Lending Practices	1	0	0	0	0	0	0	0	0	1
06 Loans/Installment Purchases	1	1	0	0	0	0	0	0	0	2
07 Public Utilities	15	2	0	0	0	0	0	0	0	17
08 Unfair and Deceptive Sales Practices	9	2	3	2	0	1	0	0	0	17
09 Other Consumer/Finance	17	5	0	0	0	0	1	0	1	24
12 Discipline (Including Expulsion and Suspension)	5	0	1	0	0	0	0	0	0	6
13 Special Education/Learning Disabilities	48	24	1	1	0	0	0	0	7	81
16 Student Financial Aid	2	2	0	0	0	0	0	0	1	5
19 Other Education	16	3	1	0	0	0	0	0	1	21
21 Employment Discrimination	34	3	0	0	0	0	0	0	0	37



Legal Problem Code	A - Counsel and Advice	B - Limited Action (Brief Service)	F - Negotiated Settlement w/out Litigation	G - Negotiated Settlement with Litigation	H - Administrative Agency Decision	IA - Uncontested Court Decision	IB - Contested Court Decision	IC - Appeals	L - Extensive Service	Totals
22 Wage Claims and Other FLSA Issues	15	0	0	0	1	0	0	0	0	16
23 EITC	0	1	5	0	0	0	0	0	0	6
24 Taxes	13	27	70	6	1	0	0	0	2	119
25 Employee Rights	48	2	0	0	0	0	0	0	0	50
29 Other Employment	29	4	0	1	0	0	0	0	0	34
30 Adoption	25	1	0	1	0	5	3	0	1	36
31 Custody/Visitation	361	20	1	17	0	1	2	0	4	406
32 Divorce/Sep./Annul.	762	60	0	50	0	122	22	0	40	1,056
33 Adult Guardianship / Conservatorship	121	13	0	8	0	46	3	0	3	194
34 Name Change	3	1	0	0	0	0	0	0	0	4
35 Parental Rights Termination	1	0	0	0	0	0	0	0	0	1
36 Paternity	8	3	0	3	0	0	0	0	1	15
37 Domestic Abuse	109	6	0	216	1	216	180	0	378	1,106
38 Support	33	0	0	1	0	0	0	0	0	34
39 Other Family	9	1	0	0	0	0	0	0	0	10
41 Delinquent	1	0	0	0	0	0	0	0	0	1
42 Neglected/Dependent	20	0	0	0	0	0	0	0	0	20
43 Emancipation	4	0	0	0	0	0	0	0	0	4
44 Minor Guardianship	248	14	0	2	0	29	10	0	7	310
49 Other Juvenile	38	4	0	0	0	0	0	0	0	42
51 Medicaid	48	28	1	0	1	0	0	0	0	78
52 Medicare	9	2	0	0	0	0	0	0	0	11

Legal Problem Code	A - Counsel and Advice	B - Limited Action (Brief Service)	F - Negotiated Settlement w/out Litigation	G - Negotiated Settlement with Litigation	H - Administrative Agency Decision	IA - Uncontested Court Decision	IB - Contested Court Decision	IC - Appeals	L - Extensive Service	Totals
53 Government Children's Health Insurance Programs	0	1	0	0	0	0	0	0	0	1
54 Home and Community Based Care	27	8	0	0	12	0	1	0	5	53
55 Private Health Insurance	2	0	0	0	0	0	0	0	0	2
56 Long Term Health Care Facilities	1	1	0	0	0	0	0	0	0	2
57 State and Local Health	5	3	0	0	0	0	0	0	0	8
59 Other Health	43	12	0	0	0	0	0	0	1	56
61 Federally Subsidized Housing	67	7	1	3	1	0	0	0	0	79
62 Homeownership/Real Property	110	13	0	1	0	1	2	0	3	130
63 Private Landlord/Tenant	448	36	0	11	0	1	3	0	2	501
64 Public Housing	30	4	0	1	1	0	2	0	0	38
65 Mobile Homes	0	1	0	0	0	0	0	0	0	1
66 Housing Discrimination	49	11	1	1	1	0	0	0	1	64
67 Mortgage Foreclosures	25	3	0	2	0	0	1	0	2	33
68 Mortgage Predatory Lending/Practices	3	0	0	0	0	0	0	0	0	3
69 Other Housing	12	2	0	0	0	0	0	0	1	15
71 TANF	1	0	0	0	0	0	0	0	0	1
72 Social Security (Not SSDI)	7	3	0	0	0	0	0	0	0	10
73 Food Stamps	38	9	2	1	2	0	1	0	0	53
74 SSDI	53	12	1	0	3	0	0	0	2	71

Legal Problem Code	A - Counsel and Advice	B - Limited Action (Brief Service)	F - Negotiated Settlement w/out Litigation	G - Negotiated Settlement with Litigation	H - Administrative Agency Decision	IA - Uncontested Court Decision	IB - Contested Court Decision	IC - Appeals	L - Extensive Service	Totals
75 SSI	134	19	0	0	12	0	0	0	1	166
76 Unemployment Compensation	13	0	0	0	3	0	0	1	0	17
77 Veterans Benefits	4	0	0	0	0	0	0	0	0	4
79 Other Income Maintenance	3	0	0	0	0	0	0	0	0	3
84 Disability Rights	1	0	0	0	0	0	0	0	0	1
85 Civil Rights	1	0	0	0	0	0	0	0	0	1
87 Criminal Record Expungement	276	89	0	2	0	35	1	0	4	407
89 Other Individual Rights	6	1	0	0	0	0	0	0	0	7
93 Licenses	4	0	0	0	0	0	0	1	0	5
94 Torts	11	0	1	0	0	0	0	0	0	12
95 Wills and Estates	166	64	1	0	0	2	1	0	8	242
96 Advanced Directives/Powers of Attorney	23	35	0	0	0	0	0	0	0	58
99 Other Miscellaneous	14	3	0	0	0	0	0	0	0	17
	4,064	650	100	353	39	484	238	2	488	6,418

Advice/Limited Services **73.40%**  
 Extended Services **26.60%**

Cases Closed    Percent of Total    Less OP Cases

**Consumer Group**    **1,227**    **19.12%**    **23.10%**  
**Domestic Violence Group**    **3,240**    **50.48%**    **40.20%**  
**Economic Justice Group**    **787**    **12.26%**    **14.80%**  
**Housing Group**    **1,164**    **18.14%**    **21.90%**

## LEGAL AID OF ARKANSAS OFFICE DIRECTORY

All Offices 870-972-9224 or 1-800-967-9224

\*office point of contact

<b>Arkansas Children's Hospital</b>			<b>Newport</b>		
11 Children's Way Little Rock, AR 72202 Mailing: One Children's Way, Slot 695, Little Rock, AR 72202			202 Walnut St. Newport, AR 72112		
	501-364-1541 – Phone			870-523-9892 – Fax	
	501-978-6479 - Fax				
<b>Goodwin, Jennifer</b>	EJW Attorney	6311	<b>Grady, Kathy</b>	Economic Justice Paralegal	3301
<b>Pritchard, Amy</b>	Staff Attorney	4305	<b>Griffin, Barbara</b>	Staff Attorney	3303
<b>Ramsey, Donna</b>	Legal Support Specialist	4310	<b>Swain, Blane*</b>	Domestic Violence WG Leader	3302
<b>Roe, Hannah*</b>	Supervising Attorney	6306	<b>Wilson, Hollie</b>	Staff Attorney	3304
<b>Reynolds, Jennifer</b>	Staff Attorney				
<b>Harrison</b>			<b>Springdale</b>		
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<b>Foster, Angie</b>	Staff Attorney	5303	<b>Allison, Scot</b>	Staff Attorney	6309
<b>Lundgren, Betsy</b>	Pro Bono Coordinator		<b>Anderson, Aaron</b>	Receptionist	4319
			<b>Barnett, Sarah</b>	Staff Attorney	4309
			<b>Bien, Molina</b>	Marshallese Liaison	7303
			<b>Bowling, Spencer</b>	EJW VOCA Fellow	4312
			<b>Bowman, David</b>	Fiscal Officer	4308
			<b>Crawford, Cory</b>	Staff Attorney	4323
			<b>Gardiner, Jennifer</b>	Tax Clinic Director	6304
			<b>Galvez, Neyra</b>	Spanish Interpreter	4317
			<b>Hussein, Chris</b>	Staff Attorney	4306
			<b>Jamison, Heidi</b>	Pro Bono VISTA	4318
			<b>King, Elizabeth*</b>	Human Resources	4311
			<b>Komander, Kristen</b>	VOCA Attorney	4314
			<b>Lancaster, Kori</b>	Community Education Specialist	4320
			<b>Norman, Ashley</b>	Staff Attorney	4302
			<b>Purtle, Susan</b>	Consumer WG Leader	4301
			<b>Ramsfield, Kris</b>	Staff Attorney	4304
			<b>Sims, Karsen</b>	Receptionist	4319
			<b>Ware, Lynda</b>	Intake Paralegal	4307
<b>Little Rock</b>			<b>West Memphis</b>		
<b>Abrams, Pamela</b>	Staff Attorney - CALS office	6319	310 Mid-Continent Plaza Suite 420 West Memphis, AR 72301		
<b>Auer, Jason</b>	Housing WG Leader	6318		870-732-6373 – Fax	
<b>Helena-West Helena</b>			<b>Davison, Lela</b>	Staff Attorney	2207
622 Pecan Helena-West Helena, AR 72342			<b>De Liban, Kevin</b>	Economic Justice WG Leader	2206
<b>Callahan, Kristen</b>	VOCA Attorney	1302	<b>Johnson, Greneda*</b>	Pro Bono Director	2202
<b>Hope-Howard, Andrea</b>	ACEs VISTA	1303	<b>Willis, Katheenya</b>	Legal Support Specialist	2201
<b>Vann, Alex*</b>	Legal Support Specialist	1301			
<b>Jonesboro</b>					
714 S. Main St. Jonesboro, AR 72401					
	870-910-5562 – Fax				
<b>Franklin, Teresa*</b>	Regional Manager	6310			
<b>Gratil, Helen</b>	Mission Engagement/CIO	6302			
<b>Hawkins, Trevor</b>	Staff Attorney	6313			
<b>Meador, Jordan</b>	Staff Attorney	6314			
<b>Ortiz-Reed, Anaicka</b>	Staff Attorney	6316			
<b>Richardson, Lee</b>	Executive Director	6305			
<b>Shoupe, Beth</b>	Dom. Violence Paralegal	6307			
<b>Thomas, Deedra</b>	Intake Paralegal	6312			
<b>Walker, Andrea</b>	Deputy Director/HelpLine	6303			

