

**MID-MINNESOTA  
LEGAL ASSISTANCE  
AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS  
December 31, 2019**

**MID-MINNESOTA LEGAL ASSISTANCE**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Mid-Minnesota Legal Assistance  
Minneapolis, Minnesota

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

We have audited the accompanying consolidated financial statements of Mid-Minnesota Legal Assistance (including its subsidiary, The Fund for Legal Aid) (a non-profit organization), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mid-Minnesota Legal Assistance as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited the Mid-Minnesota Legal Assistance's 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional 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 consolidated financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2020, on our consideration of Mid-Minnesota Legal Assistance'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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Minnesota Legal Assistance's internal control over financial reporting and compliance.

*Harrington Langer & Associates*

March 2, 2020

**MID-MINNESOTA LEGAL ASSISTANCE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
December 31, 2019  
(With Comparative Totals for 2018)

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,893,459	\$ 2,650,650
Client escrow funds	29,127	69,858
Promises to give:		
Governmental support and other grants	2,094,181	2,070,280
Contributions	109,421	62,697
Prepaid expenses	83,909	54,436
<b>TOTAL CURRENT ASSETS</b>	<b>5,210,097</b>	<b>4,907,921</b>
<b>PROPERTY AND EQUIPMENT, at cost</b>	996,193	886,357
Less: accumulated depreciation	(406,944)	(421,940)
<b>TOTAL PROPERTY AND EQUIPMENT, net</b>	<b>589,249</b>	<b>464,417</b>
<b>OTHER LONG-TERM ASSETS</b>		
Investments held at Community Foundation	2,912,228	2,573,206
<b>TOTAL ASSETS</b>	<b>\$ 8,711,574</b>	<b>\$ 7,945,544</b>

	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 338,584	\$ 274,758
Client trust deposits	29,122	69,858
Accrued expenses	413,488	399,151
	<u>781,194</u>	<u>743,767</u>
 <b>NET ASSETS</b>		
Net assets without donor restrictions	5,002,998	4,008,608
Net assets with donor restrictions	2,927,382	3,193,169
	<u>7,930,380</u>	<u>7,201,777</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 8,711,574</u></u></b>	<b><u><u>\$ 7,945,544</u></u></b>

**MID-MINNESOTA LEGAL ASSISTANCE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	Without Donor Restrictions					With Donor Restrictions	Total 2019	Total 2018
	Government	The Fund for Legal Aid	Property, Equipment and Law Library	Other	Total Without Donor Restrictions			
<b>SUPPORT AND REVENUE</b>								
Support:								
Governmental support	\$ 11,258,958	\$ -	\$ -	\$ -	\$ 11,258,958	\$ -	\$ 11,258,958	\$ 11,142,256
Other grants	-	-	-	2,242,730	2,242,730	314,204	2,556,934	2,970,105
Contributions	492	1,039,717	-	304,604	1,344,813	-	1,344,813	1,382,842
Special events	-	336,655	-	-	336,655	-	336,655	362,446
Total Support	<u>11,259,450</u>	<u>1,376,372</u>	<u>-</u>	<u>2,547,334</u>	<u>15,183,156</u>	<u>314,204</u>	<u>15,497,360</u>	<u>15,857,649</u>
Revenue:								
Training and other revenue	-	-	-	81,100	81,100	-	81,100	13,624
Interest income	-	2,954	-	7,398	10,352	-	10,352	8,047
Attorney fees	122,607	-	-	100,215	222,822	-	222,822	75,402
Miscellaneous	-	-	-	500,000	500,000	-	500,000	-
Change in value of investments held at Community Foundation	-	-	-	116,030	116,030	292,189	408,219	(179,813)
Total Revenue	<u>122,607</u>	<u>2,954</u>	<u>-</u>	<u>804,743</u>	<u>930,304</u>	<u>292,189</u>	<u>1,222,493</u>	<u>(82,740)</u>
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>872,180</u>	<u>872,180</u>	<u>(872,180)</u>	<u>-</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>11,382,057</u>	<u>1,379,326</u>	<u>-</u>	<u>4,224,257</u>	<u>16,985,640</u>	<u>(265,787)</u>	<u>16,719,853</u>	<u>15,774,909</u>
<b>EXPENSES</b>								
Program Services	<u>11,379,750</u>	<u>-</u>	<u>66,349</u>	<u>2,580,846</u>	<u>14,026,945</u>	<u>-</u>	<u>14,026,945</u>	<u>13,368,189</u>
Supporting Services:								
Management and general	-	19,004	8,615	1,528,149	1,555,768	-	1,555,768	2,014,467
Fundraising	-	86,337	1,827	320,373	408,537	-	408,537	367,476
Total Supporting Services	<u>-</u>	<u>105,341</u>	<u>10,442</u>	<u>1,848,522</u>	<u>1,964,305</u>	<u>-</u>	<u>1,964,305</u>	<u>2,381,943</u>
TOTAL EXPENSES	<u>11,379,750</u>	<u>105,341</u>	<u>76,791</u>	<u>4,429,368</u>	<u>15,991,250</u>	<u>-</u>	<u>15,991,250</u>	<u>15,750,132</u>
<b>CHANGE IN NET ASSETS</b>	<u>2,307</u>	<u>1,273,985</u>	<u>(76,791)</u>	<u>(205,111)</u>	<u>994,390</u>	<u>(265,787)</u>	<u>728,603</u>	<u>24,777</u>
NET ASSETS, BEGINNING	21,199	438,147	464,418	3,084,844	4,008,608	3,193,169	7,201,777	7,177,000
TRANSFERS								
Furniture and Equipment Changes:								
Acquisitions	-	-	198,862	(198,862)	-	-	-	-
Additions to law library	-	-	2,760	(2,760)	-	-	-	-
Transfers to (from) Other	-	(1,300,000)	-	1,300,000	-	-	-	-
<b>NET ASSETS, ENDING</b>	<u>\$ 23,506</u>	<u>\$ 412,132</u>	<u>\$ 589,249</u>	<u>\$ 3,978,111</u>	<u>\$ 5,002,998</u>	<u>\$ 2,927,382</u>	<u>\$ 7,930,380</u>	<u>\$ 7,201,777</u>



**MID-MINNESOTA LEGAL SERVICES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 728,603	\$ 24,777
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	76,791	86,625
Change in value of Community Foundation investments	(408,219)	179,813
Loss on disposal of equipment	-	438,486
Decrease (increase) in:		
Client escrow funds	40,731	(17,453)
Promises to give	(70,625)	(312,026)
Prepaid expenses	(29,473)	15,008
Increase (decrease) in:		
Accounts payable	63,826	(142,553)
Client trust deposits	(40,736)	17,453
Accrued expenses	14,337	27,137
	<b>375,235</b>	<b>317,267</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Contributions to Community Foundation	(8,000)	-
Distributions from Community Foundation	77,196	219,008
Purchase of property and equipment	(201,622)	(17,056)
	<b>(132,426)</b>	<b>201,952</b>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
	<b>242,809</b>	<b>519,219</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>242,809</b>	<b>519,219</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>2,650,650</b>	<b>2,131,431</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 2,893,459</b>	<b>\$ 2,650,650</b>

**MID-MINNESOTA LEGAL ASSISTANCE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	Support Services						Total 2019	Total 2018
	Program Services	Mid-Minnesota Legal Assistance		The Fund for Legal Aid		Consolidated Support Services		
		Management and General	Fundraising	Management and General	Fundraising			
<b>EXPENSES</b>								
Personnel salaries								
Lawyers	\$ 4,925,218	\$ 280,695	\$ 79,111	\$ -	\$ 52,703	\$ 412,509	\$ 5,337,727	\$ 5,270,698
Non-lawyers	2,868,384	593,299	105,366	-	-	698,665	3,567,049	3,676,459
Total salaries	7,793,602	873,994	184,477	-	52,703	1,111,174	8,904,776	8,947,157
Payroll taxes and employee benefits	2,908,544	287,000	49,021	-	14,831	350,852	3,259,396	3,035,391
Contract services	1,631,044	181,363	42,914	7,775	-	232,052	1,863,096	1,457,365
Travel	128,107	5,526	1,308	-	-	6,834	134,941	125,212
Space and occupancy	759,877	84,000	19,876	-	-	103,876	863,753	769,793
Office expenses	218,949	38,755	9,170	-	5,602	53,527	272,476	248,156
Equipment rental	51,391	4,989	1,180	-	-	6,169	57,560	58,007
Litigation costs	65,068	199	47	-	-	246	65,314	105,245
Library maintenance	37,396	167	39	-	-	206	37,602	44,436
Other direct expenses	366,618	52,156	12,341	11,229	13,201	88,927	455,545	434,259
Total expenses before depreciation	13,960,596	1,528,149	320,373	19,004	86,337	1,953,863	15,914,459	15,225,021
Loss on disposal of equipment	-	-	-	-	-	-	-	438,486
Depreciation	66,349	8,615	1,827	-	-	10,442	76,791	86,625
<b>TOTAL EXPENSES</b>	<b>\$ 14,026,945</b>	<b>\$ 1,536,764</b>	<b>\$ 322,200</b>	<b>\$ 19,004</b>	<b>\$ 86,337</b>	<b>\$ 1,964,305</b>	<b>\$ 15,991,250</b>	<b>\$ 15,750,132</b>

See notes to consolidated financial statements

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**Nature of Activities:**

Mid-Minnesota Legal Assistance (MMLA or the Organization) is a non-profit corporation organized for the purpose of providing legal assistance throughout central Minnesota in non-criminal matters or proceedings to persons financially unable to afford legal assistance.

MMLA was incorporated in 1981 and on January 1, 1982, assumed the operations of three similar entities operating in western and central Minnesota: Legal Aid Society of Minneapolis, St. Cloud Area Legal Services Association, and Western Minnesota Legal Services, who were members of MMLA. During the year ended December 31, 2012, these entities were formally merged into MMLA.

**Basis of Consolidation:**

The Board of Directors of MMLA controls the appointment of the Board of Directors of The Fund for Legal Aid (FLA). Due to the Organization's control over FLA, and an economic relationship, FLA accounts are included in the consolidated financial statements. All funds raised by FLA can only be spent within the programs of Mid-Minnesota Legal Assistance. All intercompany transactions and accounts have been eliminated in consolidation.

**Basis of Presentation:**

The financial statements of MMLA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require MMLA to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of MMLA's management and the board of directors.

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

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

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue Recognition:**

The Organization recognizes revenue from exchange transactions, primarily attorney fees, when the fees are awarded. The Organization records special events revenue equal to the cost of the direct benefits to donors, and contribution revenue for the difference.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of approximately \$6,600,000 that have not been recognized at December 31, 2019 because qualifying expenditures have not yet been incurred.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**Cash and Cash Equivalents:**

For the purpose of the consolidated statement of cash flows, the Organization considers all cash and investments which are intended to be held for less than three months as cash and cash equivalents. The Organization maintains its cash balances in financial institutions insured by the FDIC. At December 31, 2019, the Organization's uninsured cash balances totaled approximately \$2,300,000.

**Client Escrow Funds:**

The Organization holds funds for clients for various legal fees. A separate checking account is maintained for these funds.

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Investments:**

Investments are stated at fair value in the consolidated statements of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the increase (decrease) in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**Promises to Give:**

Unconditional promises to give are recognized as revenue in the period promised and as assets, decreases of liability or expenses depending on the form of benefit received. The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset if the discount rates materially affect the amounts expected to be collected. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. An allowance for doubtful accounts was not considered necessary at December 31, 2019.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Intentions to give are not recognized as revenues unless they are legally enforceable.

**Property and Equipment:**

Expenditures for property and equipment in excess of \$500 are capitalized. Contributed items are recorded at fair value at the date of donation. Amortization of leasehold improvements is computed using the straight-line method over the terms of the leases, since such periods are shorter than the estimated service lives. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Building and improvements	40
Furniture and equipment	5- 10
Law library	5

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates:**

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

**Functional Allocation of Expenses:**

Expenses identified with a specific grant or contract are recorded under that grant or contract when incurred. Expenses incurred to support the work performed under more than one grant or contract are allocated using methods which most fairly allocate each expense. Expenses are allocated to functional categories using an apportionment of total overhead between management and general and fundraising expenses. All direct expenses are charged to program services.

**Income Taxes:**

Both MMLA and FLA have been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota statutes. They are classified as organizations that are not private foundations and charitable contributions by donors are tax deductible.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the applicable tax authorities. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

**Comparative Financial Information:**

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements from the year ended December 31, 2018, from which the summarized information was derived.

**Subsequent Events:**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 2, 2020, the date the consolidated financial statements were available to be issued.

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Change in Accounting Principles:**

FASB Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. We have implemented Topic 606 and have adjusted the presentation in these financial statements accordingly. These amendments have been applied retrospectively to all periods presented, with no effect on net assets.

FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

**NOTE 2. AVAILABILITY AND LIQUIDITY**

The following represents MMLA's financial assets available for general expenditure within one year of December 31, 2019:

	Amount
Financial Assets at Year-end	
Cash and cash equivalents	\$ 2,893,459
Promises to give	2,203,602
Investments Held at Community Foundation	2,912,228
Total financial assets	8,009,289
Less amounts not available to be used within one year	
Net assets with donor restrictions	2,927,382
Less net assets with restrictions to be met in less than one year	(857,085)
Quasi endowment established by the board	841,931
Financial assets available to meet general expenditures within one year	\$ 5,097,061

MMLA's goal is generally to maintain financial assets to meet 60 days of operating expenses. As part of its liquidity plan, excess cash is invested in money market accounts.

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 3. PROPERTY AND EQUIPMENT**

At December 31, 2019, property and equipment consisted of the following:

	Amount
Furniture and equipment	\$ 575,747
Building and improvements	401,915
Law library	18,531
	996,193
Accumulated depreciation	(406,944)
	\$ 589,249

**NOTE 4. INVESTMENTS HELD AT COMMUNITY FOUNDATION**

The Organization’s agreement with the Community Foundation requires that the principal in the Endowment Fund be maintained as an endowment with the income available for distribution to MMLA subject to the Foundation’s Board of Trustees’ approval and subject to their “variance powers” to redirect such gifts. The Opportunities Fund is similarly structured except the principal contributed by MMLA (at the request of MMLA) can be distributed back to MMLA subject to the Foundation’s discretion. Management determined that this Board designated endowment should be included in net assets without donor restrictions.

Although the Foundation has “variance powers” to alter the recipient of the gifts in the donor-advised fund, the Organization still retains a future economic interest in the net assets of the Community Foundation and should record the fair value of its share of the Foundation’s holdings on its financial statements.

**NOTE 5. FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). MMLA groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.



**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5. FAIR VALUE MEASUREMENTS (continued)**

These levels include:

- |         |   |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.   |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none"><li>• Quoted prices for similar assets/liabilities in active markets;</li><li>• Quoted prices for identical or similar assets in non-active markets;</li><li>• Inputs other than quoted prices that are observable for the asset/liability; and,</li><li>• Inputs that are derived principally from or corroborated by other observable market data.</li></ul> |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data.  |

As of December 31, 2019, all of the Organization's investments are included in Investments held at the Community Foundation. Investments held at the Community Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities, as well as limited marketability investments, including private equities, absolute return investments, and real estate. A substantial portion of the underlying assets at the foundation is measured at fair value using Level 1 and Level 2 inputs. MMLA's ownership in such investments is represented by an undivided interest in investment portfolios managed by the foundation, not in the underlying assets themselves. The undivided interests in these portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs. Accordingly, they are reported as Level 3 measurements. See Note 6 for the change in value of these Level 3 investments.

**NOTE 6. ENDOWMENT FUNDS**

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by GAAP, net assets associated with the endowment funds, including funds designated by the Board, are classified and reported based on the existence or absence of donor-imposed restrictions. All of the Organization's endowment funds are held by the Community Foundation, the investment of which is determined by the Foundation rather than the Organization. See Note 4.

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6. ENDOWMENT FUNDS (continued)**

Endowment net asset composition by type of fund at December 31, 2019 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted	\$ -	\$ 2,070,297	\$ 2,070,297
Board designated	841,931	-	841,931
	<u>\$ 841,931</u>	<u>\$ 2,070,297</u>	<u>\$ 2,912,228</u>

Changes in endowment net assets for the year ended December 31, 2019 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, 1/1/19	\$ 725,901	\$ 1,847,305	\$ 2,573,206
Contributions	-	8,000	8,000
Investment return:			
Management fees	(8,172)	(19,443)	(27,615)
Realized and unrealized losses	124,202	311,630	435,832
Appropriation of endowment assets for expenditure	-	(77,195)	(77,195)
Endowment, 12/31/19	<u>\$ 841,931</u>	<u>\$ 2,070,297</u>	<u>\$ 2,912,228</u>

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2019, consisted of the following:

	Amount
Purpose Restricted	
Immigration	\$ 102,218
Law Fellows	10,000
General Housing	68,703
Affordable Rental Housing	381,497
Access to Coverage	21,454
Medical Legal Partnership	218,500
Legal Services Advocacy Project	13,207
Attorney Fees	23,506
Seniors	18,000
Investments to be held in perpetuity	<u>2,070,297</u>
Total Net Assets With Donor Restrictions	<u>\$ 2,927,382</u>

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (continued)**

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2019:

	Amount
Purpose Restricted	
Immigration	\$ 85,713
Law Fellows	941
General Housing	5,794
Affordable Rental Housing	556,607
Access to Coverage	3,612
Legal Services Advocacy Project	15,608
Court Technology	21,199
DEED Grant	50,974
Building Code Work	22,348
Time Restricted	
Share Our Strength	32,189
Appropriation of endowment assets for expenditure	77,195
	\$ 872,180
Total Released from Restrictions	\$ 872,180

**NOTE 8. LEASED FACILITIES**

MMLA leases office space under non-cancelable leases that expire through February 2035. Future commitments under these leases as of December 31, 2019 were as follows:

Year Ending December 31,	Amount
2020	\$ 523,589
2021	695,356
2022	650,597
2023	660,105
2024	583,697
Thereafter	6,577,505
	\$ 9,690,849

Rental expense for the year ended December 31, 2019 was \$740,244. Rental expense was reduced by \$160,888 as a result of an annually renewable sublease from Central Minnesota Legal Services.

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 9. RETIREMENT PLAN**

The Organization participates in a Section 403(b) retirement savings plan (the Plan) covering all employees who meet eligibility requirements and elect to participate in the Plan. The plan also has an employer only contribution component. To be eligible for the employer only contribution, an employee has to work one year, and if they work part time, the contribution is prorated to the percentage of time worked. The employer only contribution was \$1,000 per year; the match was at 25% of the employee's contribution, not to exceed 6% of the employee's salary. Contributions for 2019 were \$325,646.

**NOTE 10. IN-KIND CONTRIBUTIONS**

Donated services are recognized as contributions in accordance with generally accepted accounting principles, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

In-kind contributions for the year ended December 31, 2019 consisted of services of \$301,272.

Mark D. Harrington, CPA  
Wayne A. Langer, CPA  
Nichole Fairbanks, CPA  
Jesse Fraley, CPA  
Anna Anderson, CPA



Gregory W. Heck, CPA, CVA  
Greg L. Emmerich, CPA  
Michael Belknap, CPA  
Benjamin J. Roff, CPA, CVA

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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Mid-Minnesota Legal Assistance  
Minneapolis, Minnesota

We have audited the consolidated financial statements of Mid-Minnesota Legal Assistance (including its subsidiary, The Fund for Legal Aid) as of and for the year ended December 31, 2019, and our report thereon dated March 2, 2020, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The following supplementary information on pages 20-28, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion or provide any assurance on it.

*Harrington Langer & Associates*

March 2, 2020

**MID-MINNESOTA LEGAL ASSISTANCE**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
December 31, 2019  
(With Comparative Totals for 2018)

	Mid-Minnesota Legal Assistance	The Fund for Legal Aid	Eliminations	Total 2019	Total 2018
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,918,424	\$ 975,035	\$ -	\$ 2,893,459	\$ 2,650,650
Client escrow funds	29,127	-	-	29,127	69,858
Promises to give:					
Government support and other grants	2,763,853	-	(669,672)	2,094,181	2,070,280
Contributions	2,652	106,769	-	109,421	62,697
Net assets of The Fund for Legal Aid	412,132	-	(412,132)	-	-
Prepaid expenses	83,909	-	-	83,909	54,436
	<u>5,210,097</u>	<u>1,081,804</u>	<u>(1,081,804)</u>	<u>5,210,097</u>	<u>4,907,921</u>
<b>TOTAL CURRENT ASSETS</b>					
PROPERTY AND EQUIPMENT, at cost	996,193	-	-	996,193	886,357
Less: accumulated depreciation	(406,944)	-	-	(406,944)	(421,940)
	<u>589,249</u>	<u>-</u>	<u>-</u>	<u>589,249</u>	<u>464,417</u>
<b>TOTAL PROPERTY AND EQUIPMENT, net</b>					
OTHER LONG-TERM ASSETS					
Investments held at Community Foundation	2,912,228	-	-	2,912,228	2,573,206
	<u>2,912,228</u>	<u>-</u>	<u>-</u>	<u>2,912,228</u>	<u>2,573,206</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,711,574</u>	<u>\$ 1,081,804</u>	<u>\$ (1,081,804)</u>	<u>\$ 8,711,574</u>	<u>\$ 7,945,544</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 338,584	\$ 669,672	\$ (669,672)	\$ 338,584	\$ 274,758
Client trust deposits	29,122	-	-	29,122	69,858
Accrued expenses	413,488	-	-	413,488	399,151
	<u>781,194</u>	<u>669,672</u>	<u>(669,672)</u>	<u>781,194</u>	<u>743,767</u>
<b>TOTAL CURRENT LIABILITIES</b>					
NET ASSETS					
Net assets without donor restrictions	5,002,998	412,132	(412,132)	5,002,998	4,008,608
Net assets with donor restrictions	2,927,382	-	-	2,927,382	3,193,169
	<u>7,930,380</u>	<u>412,132</u>	<u>(412,132)</u>	<u>7,930,380</u>	<u>7,201,777</u>
<b>TOTAL NET ASSETS</b>					
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,711,574</u>	<u>\$ 1,081,804</u>	<u>\$ (1,081,804)</u>	<u>\$ 8,711,574</u>	<u>\$ 7,945,544</u>

See independent auditor's report  
on supplementary information

**MID-MINNESOTA LEGAL ASSISTANCE**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	Mid-Minnesota Legal Assistance	The Fund for Legal Aid	Eliminations	Total 2019	Total 2018
<b>SUPPORT AND REVENUE</b>					
Support:					
Governmental support	\$ 11,258,958	\$ -	\$ -	\$ 11,258,958	\$ 11,142,256
Other grants	3,856,934	-	(1,300,000)	2,556,934	2,970,105
Contributions	305,096	1,039,717	-	1,344,813	1,382,842
Special events	-	336,655	-	336,655	362,446
Total Support	<u>15,420,988</u>	<u>1,376,372</u>	<u>(1,300,000)</u>	<u>15,497,360</u>	<u>15,857,649</u>
Revenue:					
Training and other revenue	81,100	-	-	81,100	13,624
Interest income	7,398	2,954	-	10,352	8,047
Attorney fees	222,822	-	-	222,822	75,402
Miscellaneous	500,000	-	-	500,000	-
Change in value of investments held at Community Foundation	408,219	-	-	408,219	(179,813)
Total Revenue	<u>1,219,539</u>	<u>2,954</u>	<u>-</u>	<u>1,222,493</u>	<u>(82,740)</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>16,640,527</u>	<u>1,379,326</u>	<u>(1,300,000)</u>	<u>16,719,853</u>	<u>15,774,909</u>
<b>EXPENSES</b>					
Program Services	<u>14,026,945</u>	<u>-</u>	<u>-</u>	<u>14,026,945</u>	<u>13,368,189</u>
Supporting Services:					
Management and general	1,536,764	19,004	-	1,555,768	2,014,467
Fundraising	322,200	86,337	-	408,537	367,476
Total Supporting Services	<u>1,858,964</u>	<u>105,341</u>	<u>-</u>	<u>1,964,305</u>	<u>2,381,943</u>
<b>TOTAL EXPENSES</b>	<u>15,885,909</u>	<u>105,341</u>	<u>-</u>	<u>15,991,250</u>	<u>15,750,132</u>
<b>CHANGE IN NET ASSETS</b>	754,618	1,273,985	(1,300,000)	728,603	24,777
<b>NET ASSETS, BEGINNING</b>	7,201,777	438,147	(438,147)	7,201,777	7,177,000
<b>OTHER CHANGES IN NET ASSETS</b>					
Increase in net assets of The Fund for Legal Aid	(26,015)	-	26,015	-	-
Equity transfer to Mid-Minnesota Legal Assistance	<u>-</u>	<u>(1,300,000)</u>	<u>1,300,000</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 7,930,380</u>	<u>\$ 412,132</u>	<u>\$ (412,132)</u>	<u>\$ 7,930,380</u>	<u>\$ 7,201,777</u>

See independent auditor's report  
on supplementary information

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SUPPLEMENTARY SCHEDULE OF GRANT SOURCES**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	Federal Assistance	State and County	Foundations	General	Property, Equipment, and Law Library	Total 2019	Total 2018
<b>SUPPORT AND REVENUE</b>							
Governmental Support and Other Grants	\$ 3,833,914	\$ 7,425,044	\$ 3,555,662	\$ 301,272	\$ -	\$ 15,115,892	\$ 15,412,361
Contributions	492	-	635	303,969	-	305,096	412,220
Training and other events	-	-	81,100	-	-	81,100	13,624
Attorney fees	122,607	-	-	100,215	-	222,822	75,402
Miscellaneous	-	-	-	500,000	-	500,000	-
Interest	-	-	-	7,398	-	7,398	6,723
Change in value of investments held at Community Foundation	-	-	-	408,219	-	408,219	(179,813)
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,957,013</b>	<b>7,425,044</b>	<b>3,637,397</b>	<b>1,621,073</b>	<b>-</b>	<b>16,640,527</b>	<b>15,740,517</b>
<b>EXPENSES</b>							
Personnel salaries							
Lawyers	1,781,887	2,483,488	966,946	52,703	-	5,285,024	5,222,191
Non-lawyers	591,030	2,016,262	954,805	4,952	-	3,567,049	3,676,459
Total salaries	2,372,917	4,499,750	1,921,751	57,655	-	8,852,073	8,898,650
Payroll taxes and employee benefits	717,645	1,691,377	791,590	43,953	-	3,244,565	3,023,396
Contract services	507,779	521,080	496,881	329,581	-	1,855,321	1,450,261
Travel	40,550	64,548	27,088	2,755	-	134,941	125,212
Space and occupancy	162,163	370,690	342,766	(11,866)	-	863,753	769,793
Office expenses	35,528	99,418	103,491	28,437	-	266,874	235,790
Equipment rental	11,831	23,511	19,025	3,193	-	57,560	58,007
Depreciation	-	-	-	-	76,791	76,791	86,625
Loss on disposal of equipment	-	-	-	-	-	-	438,486
Litigation costs	25,735	17,955	21,030	594	-	65,314	105,244
Library maintenance	6,411	22,439	8,607	145	-	37,602	44,438
Other direct expenses	52,948	135,475	239,430	3,262	-	431,115	410,275
<b>TOTAL EXPENSES</b>	<b>3,933,507</b>	<b>7,446,243</b>	<b>3,971,659</b>	<b>457,709</b>	<b>76,791</b>	<b>15,885,909</b>	<b>15,646,177</b>
<b>CHANGE IN NET ASSETS</b>	<b>23,506</b>	<b>(21,199)</b>	<b>(334,262)</b>	<b>1,163,364</b>	<b>(76,791)</b>	<b>754,618</b>	<b>94,340</b>
NET ASSETS, BEGINNING	-	21,199	1,739,218	4,976,942	464,418	7,201,777	7,177,000
Other Changes in Net Assets:							
Furniture and equipment:							
Acquisitions	-	-	(23,640)	(175,222)	198,862	-	-
Additions to law library	-	-	-	(2,760)	2,760	-	-
Transfers to General Fund	-	-	(80,539)	80,539	-	-	-
Decrease in net assets of The Fund for Legal Aid	-	-	-	(26,015)	-	(26,015)	(69,563)
<b>NET ASSETS, ENDING</b>	<b>\$ 23,506</b>	<b>\$ -</b>	<b>\$ 1,300,777</b>	<b>\$ 6,016,848</b>	<b>\$ 589,249</b>	<b>\$ 7,930,380</b>	<b>\$ 7,201,777</b>

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**MID-MINNESOTA LEGAL ASSISTANCE**  
**SUPPLEMENTARY SCHEDULE OF FEDERAL ASSISTANCE**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	Department of Health and Human Services										Social Security Administration		
	Protection and Advocacy Voting Act	TBI Program	Developmental Disability Protection & Advocacy	Mental Health Protection & Advocacy	Metropolitan Council Older Americans	CMCOA Older Americans Act	Region 9 Older Americans Act	DHS Refugee Services	LSS Refugee Services	DHS	Assistive Technology Program	PABSS	Rep Payee
<b>SUPPORT AND REVENUE</b>													
Governmental support	\$ 89,202	\$ 63,358	\$ 489,905	\$ 612,122	\$ 139,999	\$ 147,118	\$ 12,708	\$ 132,367	\$ 19,976	\$ 53,165	\$ 70,176	\$ 109,223	\$ 338,295
Contributions	-	-	-	-	-	492	-	-	-	-	-	-	-
Attorney Fees	-	-	-	-	-	-	-	-	-	-	-	2,419	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>89,202</b>	<b>63,358</b>	<b>489,905</b>	<b>612,122</b>	<b>139,999</b>	<b>147,610</b>	<b>12,708</b>	<b>132,367</b>	<b>19,976</b>	<b>53,165</b>	<b>70,176</b>	<b>111,642</b>	<b>338,295</b>
<b>EXPENSES</b>													
Personnel salaries													
Lawyers	29,550	23,698	226,608	290,039	99,186	78,839	6,209	34,879	3,259	-	44,889	68,834	101,624
Non-lawyers	27,023	18,127	105,408	123,584	4,902	41,007	3,188	12,362	9,708	26,241	916	5,606	109,178
Total salaries	56,573	41,825	332,016	413,623	104,088	119,846	9,397	47,241	12,967	26,241	45,805	74,440	210,802
Payroll taxes and employee benefits	20,117	14,724	102,682	120,148	19,031	27,551	3,311	11,809	7,009	21,336	18,363	22,314	65,199
Contract services	493	482	527	347	7,100	-	-	72,597	-	312	24	770	-
Travel	1,058	732	4,051	10,043	-	-	-	38	-	-	125	2,111	13,676
Space and occupancy	5,476	3,463	27,244	41,902	9,780	-	-	682	-	3,007	3,593	6,533	31,634
Office expenses	1,161	821	6,160	10,050	-	-	-	-	-	1,069	835	1,908	6,206
Equipment rental	409	287	2,353	3,236	-	-	-	-	-	64	299	568	1,756
Litigation costs	6	211	4,466	1,284	-	-	-	-	-	-	-	123	-
Library maintenance	180	126	1,130	1,536	-	-	-	-	-	167	129	272	836
Other direct expenses	3,729	687	9,276	9,953	-	213	-	-	-	969	1,003	2,603	8,186
<b>TOTAL EXPENSES</b>	<b>89,202</b>	<b>63,358</b>	<b>489,905</b>	<b>612,122</b>	<b>139,999</b>	<b>147,610</b>	<b>12,708</b>	<b>132,367</b>	<b>19,976</b>	<b>53,165</b>	<b>70,176</b>	<b>111,642</b>	<b>338,295</b>
<b>CHANGE IN NET ASSETS</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, BEGINNING	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Changes in Net Assets: Transfers to General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET ASSETS, ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**MID-MINNESOTA LEGAL ASSISTANCE**  
**SUPPLEMENTARY SCHEDULE OF FEDERAL ASSISTANCE (continued)**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

Department of Treasury	Department of Education		Department of Housing and Urban Development			Legal Services Corporation	Department of Justice					Total 2019	Total 2018
	Low Income Tax Clinic	PAIR Program	Client Assistance Program	CDBG Minneapolis	CDBG City Fair Housing	FHIP Fair Housing	CMLS	VAWA	OJP Mille Lacs	OJP Wraparound	OJP CVJC		
\$ 91,985	\$ 230,281	\$ 173,090	\$ 23,597	\$ 44,098	\$ 391,491	\$ 18,526	\$ 328,274	\$ 31,914	\$ 165,950	\$ 56,214	\$ 880	\$ 3,833,914	\$ 4,159,914
-	-	-	-	-	-	-	-	-	-	-	-	492	450
-	113,188	-	-	-	7,000	-	-	-	-	-	-	122,607	54,750
<u>91,985</u>	<u>343,469</u>	<u>173,090</u>	<u>23,597</u>	<u>44,098</u>	<u>398,491</u>	<u>18,526</u>	<u>328,274</u>	<u>31,914</u>	<u>165,950</u>	<u>56,214</u>	<u>880</u>	<u>3,957,013</u>	<u>4,215,114</u>
69,096	179,977	84,016	18,307	29,192	90,865	-	192,781	15,846	42,709	50,796	688	1,781,887	1,872,071
2,460	18,059	28,662	-	-	23,904	14,045	9,298	7,352	-	-	-	591,030	635,538
71,556	198,036	112,678	18,307	29,192	114,769	14,045	202,079	23,198	42,709	50,796	688	2,372,917	2,507,609
20,429	66,659	37,112	5,290	11,214	42,795	4,481	58,613	7,174	10,092	-	192	717,645	832,354
-	12,608	140	-	-	235,346	-	63,643	-	109,799	3,591	-	507,779	477,637
-	1,312	4,171	-	-	705	-	1,270	-	831	427	-	40,550	42,037
-	15,179	10,799	-	2,692	-	-	-	-	179	-	-	162,163	167,324
-	3,369	2,274	-	463	-	-	-	-	1,212	-	-	35,528	27,513
-	1,311	836	-	139	-	-	-	-	573	-	-	11,831	11,068
-	14,684	85	-	-	4,876	-	-	-	-	-	-	25,735	65,199
-	945	395	-	165	-	-	-	-	530	-	-	6,411	6,615
-	5,860	4,600	-	233	-	-	2,669	1,542	25	1,400	-	52,948	67,052
<u>91,985</u>	<u>319,963</u>	<u>173,090</u>	<u>23,597</u>	<u>44,098</u>	<u>398,491</u>	<u>18,526</u>	<u>328,274</u>	<u>31,914</u>	<u>165,950</u>	<u>56,214</u>	<u>880</u>	<u>3,933,507</u>	<u>4,204,408</u>
-	23,506	-	-	-	-	-	-	-	-	-	-	23,506	10,706
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	(10,706)
<u>\$ -</u>	<u>\$ 23,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,506</u>	<u>\$ -</u>

See independent auditor's report  
on supplementary information

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SUPPLEMENTARY SCHEDULE OF STATE AND COUNTY ASSISTANCE**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	Supreme Court Filing Fees	Lawyers Trust Account Board (LTAB)	Supreme Court-MN Asset Bldg Coalition	Supreme Court-MN Disability Center	LSAC BOA Foreclosure Work	LSAC BOA Community Economic Development	Supreme Court Family Law	Supreme Court MLSC LSAC	Justice For All	Court Tech Grant	Legal Server	Just Tech LSAC	Hennepin County Housing Testing	Hennepin County Welfare Advocacy	Hennepin County City Repair	Hennepin County Housing Court
<b>SUPPORT AND REVENUE</b>																
Governmental support	\$ 4,057,224	\$ 746,000	\$ 156,144	\$ 182,000	\$ 134,744	\$ 109,696	\$ 357,836	\$ 360,750	\$ 53,818	\$ -	\$ 5,000	\$ 56,052	\$ 7,947	\$ 17,500	\$ 130,922	\$ 129,170
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attorney Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>4,057,224</b>	<b>746,000</b>	<b>156,144</b>	<b>182,000</b>	<b>134,744</b>	<b>109,696</b>	<b>357,836</b>	<b>360,750</b>	<b>53,818</b>	<b>-</b>	<b>5,000</b>	<b>56,052</b>	<b>7,947</b>	<b>17,500</b>	<b>130,922</b>	<b>129,170</b>
<b>EXPENSES</b>																
Personnel salaries																
Lawyers	1,178,763	316,585	22,834	46,008	78,467	60,878	197,701	173,739	-	-	-	-	827	15,150	49,273	77,868
Non-lawyers	1,269,950	223,186	73,950	93,128	200	-	46,973	104,934	-	975	-	-	3,305	-	-	225
Total salaries	2,448,713	539,771	96,784	139,136	78,667	60,878	244,674	278,673	-	975	-	-	4,132	15,150	49,273	78,093
Payroll taxes and employee benefits	964,644	154,249	38,601	31,072	36,075	31,407	75,030	82,077	-	299	-	-	2,249	2,350	18,962	19,806
Contract services	157,963	1,120	944	865	962	944	2,433	-	53,812	19,805	5,000	56,052	700	-	53,657	20,000
Travel	45,460	1,685	1,241	21	97	70	2,217	-	6	-	-	-	-	-	-	-
Space and occupancy	230,274	31,976	9,600	6,834	9,555	7,229	21,145	-	-	-	-	-	585	-	6,661	7,914
Office expenses	63,885	7,502	3,650	1,739	1,765	1,228	5,579	-	-	120	-	-	175	-	875	1,373
Equipment rental	15,725	2,061	1,200	564	486	390	1,249	-	-	-	-	-	22	-	385	414
Litigation costs	13,234	17	-	8	3,356	596	-	-	-	-	-	-	-	-	65	-
Library maintenance	16,199	2,039	-	257	523	436	1,329	-	-	-	-	-	28	-	450	431
Other direct expenses	101,127	5,580	4,124	1,504	3,258	6,518	4,180	-	-	-	-	-	56	-	594	1,139
<b>TOTAL EXPENSES</b>	<b>4,057,224</b>	<b>746,000</b>	<b>156,144</b>	<b>182,000</b>	<b>134,744</b>	<b>109,696</b>	<b>357,836</b>	<b>360,750</b>	<b>53,818</b>	<b>21,199</b>	<b>5,000</b>	<b>56,052</b>	<b>7,947</b>	<b>17,500</b>	<b>130,922</b>	<b>129,170</b>
<b>CHANGE IN NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,199)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET ASSETS, BEGINNING	-	-	-	-	-	-	-	-	-	21,199	-	-	-	-	-	-
Other Changes in Net Assets:																
Transfers to General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET ASSETS, ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report on supplementary information

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SUPPLEMENTARY SCHEDULE OF STATE AND COUNTY ASSISTANCE (continued)**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

Hennepin County Northpoint Housing	Hennepin County Defending Immigrants	MN Sure	Emergency Man. Asst.	Tenant Protections	SSI	State of Minnesota Safe Harbor	Minor Youth Act	Total 2019	Total 2018
\$ 3,148	\$221,471	\$ 369,871	\$ 95,559	\$ 75,823	\$ 21,150	\$ 97,318	\$ 35,901	\$ 7,425,044	\$ 6,982,342
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>3,148</u>	<u>221,471</u>	<u>369,871</u>	<u>95,559</u>	<u>75,823</u>	<u>21,150</u>	<u>97,318</u>	<u>35,901</u>	<u>7,425,044</u>	<u>6,982,342</u>
1,874	69,714	13,831	31,803	45,572	11,747	67,518	23,336	2,483,488	2,388,206
-	9,570	165,009	19,295	-	3,990	1,226	346	2,016,262	2,020,357
1,874	79,284	178,840	51,098	45,572	15,737	68,744	23,682	4,499,750	4,408,563
945	21,908	129,557	13,474	22,526	5,413	28,514	12,219	1,691,377	1,516,109
24	100,402	20,600	25,379	418	-	-	-	521,080	355,998
-	2,390	11,361	-	-	-	-	-	64,548	52,340
246	11,464	17,376	5,608	4,223	-	-	-	370,690	329,384
22	2,394	7,518	-	1,593	-	-	-	99,418	90,523
17	602	304	-	92	-	-	-	23,511	22,696
-	161	-	-	518	-	-	-	17,955	16,632
6	576	-	-	165	-	-	-	22,439	22,967
14	2,290	4,315	-	716	-	60	-	135,475	142,250
<u>3,148</u>	<u>221,471</u>	<u>369,871</u>	<u>95,559</u>	<u>75,823</u>	<u>21,150</u>	<u>97,318</u>	<u>35,901</u>	<u>7,446,243</u>	<u>6,957,462</u>
-	-	-	-	-	-	-	-	(21,199)	24,880
-	-	-	-	-	-	-	-	21,199	-
-	-	-	-	-	-	-	-	-	(3,681)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,199</u>

See independent auditor's report  
on supplementary information

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SUPPLEMENTARY SCHEDULE OF FOUNDATION FUNDING**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

	United Way of Minneapolis	United Way of St. Cloud	United Way of Kandiyohi Co	Proof Alliance	McKnight Synergy	Violence Free MN	Federal Bar Association	Community Giving DEED Grant	Pohlad Family Foundation	Robert Johnson Wood Foundation	New American	Student Grants	FHF - Tenant Outreach	Stevens Square Foundation	CentraCare Rural Clinic	Grossman Clinics	Minneapolis Foundation
<b>SUPPORT AND REVENUE</b>																	
Grants	\$ 487,586	\$ 44,500	\$ 16,000	\$ 3,534	\$ -	\$ 2,450	\$ 5,000	\$ -	\$ -	\$ 75,000	\$ 50,000	\$ 24,599	\$ -	\$ 24,000	\$ 100,000	\$ 289,259	\$ 100,000
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Training events	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>487,586</b>	<b>44,500</b>	<b>16,000</b>	<b>3,534</b>	<b>-</b>	<b>2,450</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>50,000</b>	<b>24,599</b>	<b>-</b>	<b>24,000</b>	<b>100,000</b>	<b>289,259</b>	<b>100,000</b>
<b>EXPENSES</b>																	
Personnel salaries																	
Lawyers	(7,121)	-	-	2,371	42,678	2,019	-	25,548	217,941	25,135	35,900	-	5,386	4,422	42,097	97,625	22,617
Non-lawyers	182,793	35,600	12,800	-	23,864	-	-	9,965	22,359	-	1,218	25,540	10,700	645	-	-	-
Total salaries	175,672	35,600	12,800	2,371	66,542	2,019	-	35,513	240,300	25,135	37,118	25,540	16,086	5,067	42,097	97,625	22,617
Payroll taxes and employee benefits	125,881	8,900	3,200	889	19,046	431	-	15,461	86,313	9,285	10,209	-	2,660	933	21,859	44,594	7,240
Contract services	74,856	-	-	-	15,986	-	-	-	4,045	23,900	765	-	344	-	-	28,970	265
Travel	5,182	-	-	-	849	-	-	-	-	-	521	-	-	-	2,645	269	-
Space and occupancy	59,180	-	-	164	9,643	-	-	-	34,514	2,791	4,357	-	3,381	-	-	14,573	2,728
Office expenses	11,918	-	-	52	1,728	-	-	-	6,040	682	892	-	398	-	-	2,881	5,933
Equipment rental	2,687	-	-	10	559	-	-	-	1,802	-	226	-	184	-	-	700	100
Litigation costs	4,336	-	-	-	1,103	-	-	-	2,457	-	447	-	-	-	384	-	316
Library maintenance	1,053	-	-	8	605	-	-	-	1,946	-	239	-	253	-	-	569	114
Other direct expenses	26,821	-	-	40	2,482	-	-	-	7,281	-	1,591	-	329	-	252	2,084	235
<b>TOTAL EXPENSES</b>	<b>487,586</b>	<b>44,500</b>	<b>16,000</b>	<b>3,534</b>	<b>118,543</b>	<b>2,450</b>	<b>-</b>	<b>50,974</b>	<b>384,698</b>	<b>61,793</b>	<b>56,365</b>	<b>25,540</b>	<b>23,635</b>	<b>6,000</b>	<b>67,237</b>	<b>192,265</b>	<b>39,548</b>
<b>CHANGE IN NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(118,543)</b>	<b>-</b>	<b>5,000</b>	<b>(50,974)</b>	<b>(384,698)</b>	<b>13,207</b>	<b>(6,365)</b>	<b>(941)</b>	<b>(23,635)</b>	<b>18,000</b>	<b>32,763</b>	<b>96,994</b>	<b>60,452</b>
<b>NET ASSETS, BEGINNING</b>	<b>545,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,543</b>	<b>-</b>	<b>-</b>	<b>50,974</b>	<b>750,000</b>	<b>-</b>	<b>33,583</b>	<b>10,941</b>	<b>23,635</b>	<b>-</b>	<b>16,331</b>	<b>61,752</b>	<b>8,251</b>
Other Changes in Net Assets:																	
Furniture and equipment:																	
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions to law library	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to General Fund	-	-	-	-	-	-	(5,000)	-	-	-	-	-	-	-	-	-	-
<b>NET ASSETS, ENDING</b>	<b>\$ 545,527</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 365,302</b>	<b>\$ 13,207</b>	<b>\$ 27,218</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 18,000</b>	<b>\$ 49,094</b>	<b>\$ 158,746</b>	<b>\$ 68,703</b>

See independent auditor's report on supplementary information

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SUPPLEMENTARY SCHEDULE OF FOUNDATION FUNDING (continued)**  
For the Year Ended December 31, 2019  
(With Comparative Totals for 2018)

Law Fellows	The Fund for Legal Aid	Family Housing Fund	Share Our Strength	Coalition Programs Support	Other Coalition Activity	BlueCross BlueShield of Minnesota	CentraCare Clinic	BCBS LSAP	Northpoint MLP	Children's MLP	St. Cloud Grant Bremer Foundation	Willmar Grant Bremer Foundation	MPLS Grant Bremer Foundation	Green Tech Action Fund	CentraCare Peds Clinic	Total 2019	Total 2018
\$ 23,500	\$ 1,300,000	\$ 90,000	\$ -	\$ 407,217	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 51,871	\$ 86,146	\$ -	\$ -	\$ 75,000	\$ -	\$ 100,000	\$ 3,555,662	\$ 4,012,439
-	-	-	-	-	635	-	-	-	-	-	-	-	-	-	-	635	1,804
-	-	-	-	-	81,100	-	-	-	-	-	-	-	-	-	-	81,100	13,624
<u>23,500</u>	<u>1,300,000</u>	<u>90,000</u>	<u>-</u>	<u>407,217</u>	<u>81,735</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>51,871</u>	<u>86,146</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>100,000</u>	<u>3,637,397</u>	<u>4,027,867</u>
23,500	(88,442)	18,029	26,871	148,288	-	20,628	63,867	3,885	33,036	63,060	5,005	31,237	24,482	17,517	59,365	966,946	879,646
-	500,000	2,408	-	31,763	-	53,865	8,358	-	781	-	2,786	18,300	7,574	-	3,486	954,805	970,141
23,500	411,558	20,437	26,871	180,051	-	74,493	72,225	3,885	33,817	63,060	7,791	49,537	32,056	17,517	62,851	1,921,751	1,849,787
-	235,781	9,186	5,318	75,997	1,131	20,063	12,771	1,260	13,367	6,396	2,797	17,858	8,567	4,831	19,366	791,590	701,172
-	255,585	40,236	-	30,282	-	919	4,959	10,463	742	3,032	47	713	353	-	419	496,881	331,268
-	14,099	486	-	1,147	-	256	359	-	-	-	-	-	17	-	1,258	27,088	25,817
-	150,386	2,429	-	30,228	-	4,739	4,536	-	2,251	8,744	398	-	3,551	-	4,173	342,766	295,778
-	31,828	628	-	32,163	-	1,863	1,634	-	757	1,943	121	-	502	-	1,528	103,491	91,397
-	7,570	96	-	4,025	-	99	60	-	155	461	30	-	207	-	54	19,025	20,235
-	11,604	-	-	-	-	-	40	-	-	8	1	-	279	-	55	21,030	26,120
-	2,401	95	-	-	-	-	241	-	89	483	16	-	263	-	232	8,607	13,453
-	80,511	212	-	53,324	57,186	1,180	1,096	-	693	2,019	39	-	572	-	1,483	239,430	180,306
<u>23,500</u>	<u>1,201,323</u>	<u>73,805</u>	<u>32,189</u>	<u>407,217</u>	<u>58,317</u>	<u>103,612</u>	<u>97,921</u>	<u>15,608</u>	<u>51,871</u>	<u>86,146</u>	<u>11,240</u>	<u>68,108</u>	<u>46,367</u>	<u>22,348</u>	<u>91,419</u>	<u>3,971,659</u>	<u>3,535,333</u>
-	98,677	16,195	(32,189)	-	23,418	(3,612)	2,079	(15,608)	-	-	(11,240)	(68,108)	28,633	(22,348)	8,581	(334,262)	492,534
-	-	-	32,189	-	(101,245)	25,066	-	15,608	-	-	11,240	68,108	46,367	22,348	-	1,739,218	1,310,353
-	(23,138)	-	-	-	(502)	-	-	-	-	-	-	-	-	-	-	(23,640)	(4,147)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(93)
-	(75,539)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(80,539)	(59,429)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,329)</u>	<u>\$ 21,454</u>	<u>\$ 2,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 8,581</u>	<u>\$ 1,300,777</u>	<u>\$ 1,739,218</u>

See independent auditor's report on supplementary information

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Mid-Minnesota Legal Assistance  
Minneapolis, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Mid-Minnesota Legal Assistance (including its subsidiary, The Fund for Legal Aid) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 2, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Mid-Minnesota Legal Assistance'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Minnesota Legal Assistance's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-Minnesota Legal Assistance'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 the 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 Mid-Minnesota Legal Assistance's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Harrington Langer & Associates*

March 2, 2020



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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Mid-Minnesota Legal Assistance  
Minneapolis, Minnesota

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

We have audited Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance's major federal programs for the year ended December 31, 2019. Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulation*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mid-Minnesota Legal Assistance'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 major federal programs. However, our audit does not provide a legal determination of Mid-Minnesota Legal Assistance's compliance.

### ***Opinion on Each of the Other Major Federal Programs***

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

### **Report on Internal Control Over Compliance**

Management of Mid-Minnesota Legal Assistance is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered Mid-Minnesota Legal Assistance'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 Mid-Minnesota Legal Assistance'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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Harrington Langer & Associates*

March 2, 2020

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Subrecipients	Expenditures
<b>U.S. Department of Health and Human Services</b>				
Mental Health - Protection and Advocacy	93.138	5X98SM002797-18	\$	\$ 64,146
		5X98SM002797-19		447,375
		5X98SM002797-20		<u>100,601</u>
Subtotal Mental Health - Protection and Advocacy				<u>612,122</u>
Developmental Disabilities - Protection and Advocacy	93.630	1901MNPADD		374,000
		2001MNPADD		<u>115,905</u>
Subtotal Developmental Disabilities - Protection and Advocacy				<u>489,905</u>
Voting Act - Protection and Advocacy	93.618	1901MNVOTP		78,967
		2001MNVOTP		<u>10,235</u>
Subtotal Voting Act - Protection and Advocacy				<u>89,202</u>
State Board on Aging:				
Office on Aging - Title IIIB	93.044			
Metropolitan Area Agency on Aging		311-19-003B-36		139,999
Central MN Council on Aging		315-19-003B-001		147,118
Region 9-passed through from Southern Minnesota Regional Legal Services		Unknown		<u>12,708</u>
Subtotal State Board on Aging			<u>5,600</u>	<u>299,825</u>
State Department of Human Services				
Refugee and Entrant Assistance-State Administered Programs	93.566	GRK147970 Amend #1		132,367
Health Insurance Assistance		Unknown		53,165
Pass-through from Lutheran Social Services		Unknown		16,816
Pass-through from Lutheran Social Services		Unknown		<u>3,160</u>
Subtotal Refugee and Entrant Assistance Programs			<u>72,264</u>	<u>205,508</u>
Assistive Technology Protection and Advocacy	93.843	1901MNPAAT		48,377
		2001MNPAAT-01		<u>21,799</u>
Subtotal Assistive Technology Protection and Advocacy				<u>70,176</u>
Traumatic Brain Injury - Protection and Advocacy	93.873	1801MNPATB		21,494
		1901MNPATB-01		<u>41,864</u>
Subtotal Traumatic Brain Injury - Protection and Advocacy				<u>63,358</u>
Total U.S. Department of Health and Human Services			<u>77,864</u>	<u>1,830,096</u>

See accompanying notes to schedule  
of expenditures of federal awards

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Subrecipients	Expenditures
<b>U.S. Department of Education</b>				
Client Assistance Program	84.161A	H161A180024		85,843
		H161A190024		87,247
Subtotal Client Assistance Program				<u>173,090</u>
Protection & Advocacy of Individual Rights	84.240A	H240A190024		236,903
		H240A200024		83,060
Subtotal Protection & Advocacy of Individual Rights				<u>319,963</u>
Total U.S. Department of Education				<u>493,053</u>
<b>U.S. Social Security Administration</b>				
Protection and Advocacy for Beneficiaries of Social Security	96.009	6 PAB13020274-01-06		45,953
		6 PAB13020274-01-07		65,689
Subtotal Protection & Advocacy for Beneficiaries of Social Security				<u>111,642</u>
Strengthening Protections for Social Security Beneficiaries	96.009	6 SPS18000029-01-01		173,562
		SPS18000029-01-00		164,733
Subtotal Strengthening Protections for Social Security Beneficiaries				<u>338,295</u>
Total U.S. Social Security Administration				<u>449,937</u>
<b>U.S. Department of Housing and Urban Development</b>				
Community Development Block Grant	14.218			
Pass- through from City of Minneapolis		C-43866		9,805
		COM0001176		13,792
		C-44231		20,111
		COM0001733		23,987
Subtotal Community Development Block Grant				<u>67,695</u>
Fair Housing Initiative Program: Private Enforcement Initiatives	14.418	FPEI160023-02-00		149,396
		FPEI160023-03-00		249,095
Subtotal Fair Housing Initiative Program			<u>233,046</u>	<u>398,491</u>
Total U.S. Department of Housing and Urban Development			<u>233,046</u>	<u>466,186</u>
<b>Legal Service Corporation</b>				
Pass-through from Central Minnesota Legal Services	09.524020	524020		18,526
Total Legal Services Corporation				<u>18,526</u>

See accompanying notes to schedule of expenditures of federal awards

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Subrecipients	Expenditures
<b>U.S. Department of Treasury</b>				
Low Income Tax Clinic	21.008	19LITC0235-03-00		91,985
<b>U.S. Department of Justice</b>				
Legal Assistance for Victims Program	16.524	2016-WL-AX-0052		275,239
		2019-WL-AX-0052		53,035
Subtotal Legal Assistance for Victims Program			63,257	328,274
Justice Systems Response to Families	16.021			
Pass-through from Pearl Crisis Center		2015-FJ-AX-0011		31,914
National Qualified Representative Program	16.U01			
Pass-through from Vera Institute of Justice		DJJ-17-PSS-S-2757		880
Crime Victim Assistance/Discretionary Grants	16.582			
Pass-through from State of MN		A-MVLS-2018-MIDMNLEG-00002		165,950
Pass-through from Equal Justice Works		2018-CVJC-029		56,214
Subtotal Legal Assistance for Victims Program			67,698	222,164
Total U.S. Department of Justice			130,955	583,232
Total Expenditures of Federal Awards			\$ 441,865	\$ 3,933,015

**MID-MINNESOTA LEGAL ASSISTANCE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Mid-Minnesota Legal Assistance under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 US 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 Mid-Minnesota Legal Assistance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mid-Minnesota Legal Assistance.

**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. Mid-Minnesota Legal Assistance has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the Year Ended December 31, 2019

**Section I—Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?     \_\_\_ yes     X  no

Significant deficiency(ies) identified?     \_\_\_ yes     X  none reported

Noncompliance material to financial statements noted?     \_\_\_ yes     X  no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?     \_\_\_ yes     X  no

Significant deficiency(ies) identified?     \_\_\_ yes     X  none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR section 200.516(a)?     \_\_\_ yes     X  no

Identification of major programs:

<u>CFDA Number(s):</u>	<u>Name of Federal Program or Cluster:</u>
93.138	Mental Health Basic Support and Advocacy Grants
93.630	Developmental Disabilities Basic Support and Advocacy Grants

Dollar threshold used to distinguish between Type A and Type B programs:     \$750,000

Auditee qualified as low-risk auditee?      X  Yes    \_\_\_ No

**MID-MINNESOTA LEGAL ASSISTANCE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2019

**Section II—Financial Statement Audit Finding**

No matters were reported.

**Section III—Findings and Questioned Costs-Major Federal Award Programs Audit**

No matters were reported.

**Section IV—Prior Year Findings and Questioned Costs**

No matters were reported.