

**MID-MISSOURI
LEGAL SERVICES CORPORATION**

INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS,

AND

SINGLE AUDIT

DECEMBER 31, 2018 and 2017

Prepared by

**WINFREY
CERTIFIED PUBLIC ACCOUNTANTS P.C.**
401 LOCUST, SUITE 304
COLUMBIA, MISSOURI

**Mid-Missouri Legal Services Corporation
Independent Auditor's Report,
Financial Statements, and Single Audit**

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Winfrey Certified Public Accountants, PC

Harry C. Winfrey, C.P.A.
Jane E. Rasmussen, C.P.A.
Luanne Yarnell, Accountant

Member of
American Institute of C.P.A.s
Missouri Society of C.P.A.s

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mid-Missouri Legal Services Corporation
Columbia, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Mid-Missouri Legal Services Corporation (a nonprofit organization), which comprise the statements of financial position as of and for the years ended December 31, 2018 and 2017, and the related statements of activities, statements of cash flows, and statements of functional expenses 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 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mid-Missouri Legal Services Corporation, 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.

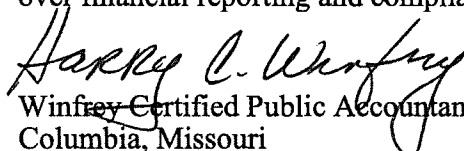
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Mid-Missouri Legal Services Corporation as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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, and is not a required part of the basic financial statements. The accompanying schedule of support, revenue, expense, and changes in LSC funds is presented for purposes of additional analysis as required by the Legal Services Corporation. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of support, revenue, expense and changes in LSC funds is fairly stated, in all material respects, in relation to the basic 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 8, 2019 on our consideration of Mid-Missouri Legal Services Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Missouri Legal Services Corporation's internal control over financial reporting and compliance.


Winfrey Certified Public Accountants, P.C.
Columbia, Missouri

March 8, 2019

Mid-Missouri Legal Services Corporation
Statements of Financial Position
As of December 31, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,298,972	\$ 923,645
Cash - Client Trust Fund	3,920	3,920
Grants Receivable	59,384	71,242
Unconditional Promises to Give	28,498	28,498
Prepaid Expense	22,435	18,032
Utility Deposit	100	100
Total Current Assets:	1,413,309	1,045,437
Noncurrent Assets		
Fixed Assets, net of Accumulated Depreciation	407,857	414,106
Intangible Assets, net of Accumulated Amortization	512	1,536
Total Noncurrent Assets:	408,369	415,642
Total Assets	\$ 1,821,678	\$ 1,461,079
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 4,004	\$ 13,899
Client Trust Funds	3,920	3,920
Accrued Payroll and Payroll Taxes	76,116	62,846
Accrued Employee Benefits -Retirement	21,253	32,466
Unearned Revenue	31,896	-
Total Current Liabilities	137,189	113,131
Net Assets		
Without Donor Restrictions	1,655,991	1,319,450
With Donor Restrictions	28,498	28,498
Total Net Assets	1,684,489	1,347,948
Total Liabilities and Net Assets	\$ 1,821,678	\$ 1,461,079

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statement of Activities
For the Year Ended December 31, 2018
(With Summarized Totals for the Year Ended December 31, 2017)

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenues				
Legal Services Corporation	\$ 473,699	\$ -	\$ 473,699	\$ 447,967
IOLTA Funds	96,308	-	96,308	51,786
Domestic Violence Shelter and Services Grant	101,007	-	101,007	107,052
State of Missouri Filing Fees	231,281	-	231,281	197,862
MO Attorney Contribution for Legal Services for Low-Income People	59,577	-	59,577	60,051
Missouri Bar Grants	76,347	-	76,347	77,387
Heart of Missouri United Way	-	34,998	34,998	34,996
Callaway County United Way	-	11,000	11,000	11,000
Advocates for Family Health MC Plus	42,325	-	42,325	57,000
Victims of Crime Act (VOCA)	81,706	-	81,706	20,496
Other Awards and Grants	316,391	-	316,391	134,659
Attorney's Fees	1,775	-	1,775	1,600
Donations	18,052	-	18,052	34,526
Interest Income	3,335	-	3,335	946
Net Assets Released from Restrictions:				
Expiration of Time Restrictions	45,998	(45,998)	-	-
Total Support and Revenues	<u>1,547,801</u>	<u>-</u>	<u>1,547,801</u>	<u>1,237,328</u>
Expenses:				
Program Services	1,051,447	-	1,051,447	961,859
Management and General	159,813	-	159,813	115,840
Total Expenses	<u>1,211,260</u>	<u>-</u>	<u>1,211,260</u>	<u>1,077,699</u>
Change in Net Assets	336,541	-	336,541	159,629
Net Assets, Beginning of Year	1,319,450	28,498	1,347,948	1,188,319
Net Assets, End of Year	<u>\$ 1,655,991</u>	<u>\$ 28,498</u>	<u>\$ 1,684,489</u>	<u>\$ 1,347,948</u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statement of Activities
For the Year Ended December 31, 2017

	2017		Total
	Without Donor Restrictions	With Donor Restrictions	
Support and Revenues			
Legal Services Corporation	\$ 447,967	\$ -	\$ 447,967
IOLTA Funds	51,786	-	51,786
Domestic Violence Shelter and Services Grant	107,052	-	107,052
State of Missouri Filing Fees	197,862	-	197,862
MO Attorney Contribution for Legal Services for Low-Income People	60,051	-	60,051
Missouri Bar Grants	77,387	-	77,387
Heart of Missouri United Way	17,498	17,498	34,996
Callaway County United Way	-	11,000	11,000
Advocates for Family Health MC Plus	57,000	-	57,000
Victims of Crime Act (VOCA)	20,496	-	20,496
Other Awards and Grants	134,659	-	134,659
Attorney's Fees	1,600	-	1,600
Donations	34,526	-	34,526
Interest Income	946	-	946
Net Assets Released from Restrictions:			-
Expiration of Time Restrictions	30,498	(30,498)	-
Total Support and Revenues	<u>1,239,328</u>	<u>(2,000)</u>	<u>1,237,328</u>
Expenses			
Program Services	961,859	-	961,859
Management and General	115,840	-	115,840
Total Expenses	<u>1,077,699</u>	<u>-</u>	<u>1,077,699</u>
Change in Net Assets:	161,629	(2,000)	159,629
Net Assets, Beginning of Year	1,157,821	30,498	1,188,319
Net Assets, End of Year	<u>\$ 1,319,450</u>	<u>\$ 28,498</u>	<u>\$ 1,347,948</u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2018
(With Summarized Totals for the Year Ended December 31, 2017)

Expenses	2018			2017
	Program Services	Management and General	Total	Total
Personnel				
Lawyers	\$ 569,651	\$ 60,609	\$ 630,260	\$ 572,131
Administrative and Support	145,704	51,268	196,972	140,800
Payroll Taxes	54,497	8,652	63,149	55,000
Employee Benefits	119,404	6,192	125,596	119,212
Total Personnel	889,256	126,721	1,015,977	887,143
Other Expenses:				
Advertising	1,959	-	1,959	1,574
Janitor Services	3,975	-	3,975	3,900
Contract Services to Program	28,044	-	28,044	23,873
Depreciation and Amortization	-	13,789	13,789	14,409
Dues and Fees	5,693	902	6,595	6,716
Insurance	4,671	4,319	8,990	8,599
Judicare	33,514	-	33,514	34,471
Library Maintenance	1,100	-	1,100	795
Litigation	227	-	227	455
Meals	1,235	-	1,235	1,379
Miscellaneous	6,456	-	6,456	397
Office Supplies/Equipment	13,589	1,510	15,099	17,934
Professional Services	7,656	7,656	15,312	13,890
Rent	10,208	-	10,208	10,208
Repair and Maintenance	5,113	568	5,681	5,948
Telephone	15,363	1,707	17,070	18,435
Travel and Conferences	18,070	2,050	20,120	20,311
Uncollectible Pledges	-	-	-	2,000
Utilities	5,318	591	5,909	5,262
Total Other Expenses	162,191	33,092	195,283	190,556
Total Expenses	\$ 1,051,447	\$ 159,813	\$ 1,211,260	\$ 1,077,699

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2017

	2017		
	Program Services	Management and General	Total
Expenses			
Personnel			
Lawyers	\$ 516,585	\$ 55,546	\$ 572,131
Administrative and Support	130,549	10,251	140,800
Payroll Taxes	50,174	4,826	55,000
Employee Benefits	106,866	12,346	119,212
Total Personnel	<u>804,174</u>	<u>82,969</u>	<u>887,143</u>
Other Expenses:			
Advertising	1,574	-	1,574
Janitor Services	3,900	-	3,900
Contract Services to Program	23,873	-	23,873
Depreciation and Amortization	-	14,409	14,409
Dues and Fees	6,109	607	6,716
Insurance	4,479	4,120	8,599
Judicare	34,471	-	34,471
Library Maintenance	795	-	795
Litigation	455	-	455
Meals	1,379	-	1,379
Miscellaneous	397	-	397
Office Supplies/Equipment	16,140	1,794	17,934
Professional Services	6,945	6,945	13,890
Rent	10,208	-	10,208
Repair and Maintenance	5,353	595	5,948
Telephone	16,591	1,844	18,435
Travel and Conferences	18,280	2,031	20,311
Uncollectible Pledges	2,000	-	2,000
Utilities	4,736	526	5,262
Total Other Expenses	<u>157,685</u>	<u>32,871</u>	<u>190,556</u>
Total Expenses	<u><u>\$ 961,859</u></u>	<u><u>\$ 115,840</u></u>	<u><u>\$ 1,077,699</u></u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statements of Cash Flows
As of December 31, 2018 and 2017

	2018	2017
Operating Activities		
Change in Net Assets	\$ 336,541	\$ 159,629
Adjustments to Reconcile Change in Net Asset to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	13,789	14,409
Changes in Assets and Liabilities		
Grants Receivable	11,858	(16,781)
Unconditional Promises to Give	-	2,000
Prepaid Expense	(4,403)	(1,301)
Accounts Payable	(9,894)	(21,089)
Client Trust Funds	-	-
Accrued Payroll and Payroll Taxes	13,270	2,382
Accrued Employee Benefits - Retirement	(11,213)	7,524
Unearned Revenue	31,896	-
Total Adjustments	45,303	(12,856)
Net Cash Provided by Operating Activities	381,844	146,773
Investing Activities		
Purchases of Fixed Assets	(6,517)	(7,822)
Net Cash Used by Investing Activities:	(6,517)	(7,822)
Net Increase/(Decrease) in Cash and Cash Equivalents	375,327	138,951
Cash and Cash Equivalents at Beginning of Year	927,565	788,614
Cash and Cash Equivalents at End of Year	\$ 1,302,892	\$ 927,565
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	\$ -	\$ -

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2018 and 2017

NOTE 1 – Summary of Significant Accounting Policies

Description of Organization

Mid-Missouri Legal Services Corporation (MMLSC) is a Missouri nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in eleven mid-Missouri counties (Audrain, Boone, Callaway, Chariton, Cole, Cooper, Howard, Miller, Moniteau, Osage, and Randolph), including the cities of Columbia and Jefferson City.

MMLSC is primarily funded through grants from Legal Services Corporation ("LSC"), a nonprofit corporation established by Congress to administer a national legal assistance program.

Income Tax

MMLSC is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. MMLSC is not a private foundation pursuant to Section 509(a) of the code.

Method of Accounting

The financial statements have been prepared on an accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants. Revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, MMLSC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The balance of these accounts is \$1,302,892 at December 31, 2018 and \$927,565 at December 31, 2017 of which \$3,920 at December 31, 2018 and \$3,920 at December 31, 2017 is restricted to the client trust account.

MMLSC has three accounts at one banking facility, two accounts at two other banking facilities, and four single accounts at a four additional banking facilities. All accounts were covered by Federal Deposit Insurance Corporation (FDIC) coverage at December 31, 2018 and December 31, 2017. All bank account balances were covered at December 31, 2018. The three facilities with multiple accounts had a balance in excess of the \$250,000 Federal Deposit Insurance Corporation (FDIC) coverage limit at December 31, 2017.

Contributions

Contributions are considered to be available for the general program of MMLSC unless specifically restricted by the donor. MMLSC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2018 and 2017

NOTE 1 – Summary of Significant Accounting Policies (continued)

a donor 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. Contributions that are restricted by the donors are reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.

Donated Services

Although none were received in the current or prior year, MMLSC reports amounts in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation, and the amounts involved can be objectively measured.

Net Asset Classifications

Net Assets without Donor Restrictions

Net assets without donor restrictions are not subject to donor-imposed stipulations. Revenues are reported as net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in the appropriate net asset classification. Board designated funds are classified as net assets without donor restrictions. As of December 31, 2018 there were not any board designated funds.

Net Assets with Donor Restrictions

MMLSC reports gifts of cash, grants, and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. Generally, the donors of these assets permit an organization to use all or part of the income earned on related investments for general or specific purposes. There were \$28,498 in net assets with donor restrictions as of December 31, 2018. The restrictions on the assets are time restrictions and expire each year. The time restriction does not affect the use of resources.

Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates primarily related to the paid leave accrual, the allowance for doubtful accounts, and the depreciable lives of equipment. The nature of those estimates, however, is such that variances in actual results are generally immaterial.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2018 and 2017

NOTE 1 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs (both direct and indirect) of providing the program and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Indirect expenses are allocated based on each funding category's income as a percentage of total income (not including unbudgeted items). Some of funding sources do not allow indirect costs so their costs are allocated to other funding sources. Functional expense classifications are the same as the natural expense classifications.

Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update, ASU No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The update requires the three prior classes of net assets (unrestricted, temporarily restricted, and permanently restricted) to become two: net assets without donor restrictions and net assets with donor restrictions. For net assets with donor restrictions disclosure is required on how the restrictions affect the use of resources (see Net Asset Classifications section of Note 1). The methods used to allocate costs among program and support functions must be disclosed (see Functional Expenses section of Note 1). Qualitative information regarding how an organization manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet date is required to be reported (see Note 5). Quantitative information that communicates the availability of an organization's financial assets at the balance sheet date to meet cash needs for general expenditures within one year of the balance sheet date (see Note 5). The new standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

NOTE 2 – Grants Receivable

Grants receivable represents grant funds due to the agency as of December 31, 2018 and 2017 and are considered fully collectible within one year.

NOTE 3 – Unconditional Promises to Give

Unconditional promises consists of future year pledges from two United Way organizations as of December 31, 2018 and 2017 and are considered fully collectible within one year.

NOTE 4 – Unearned Revenue

When MMLSC received grant proceeds from the IOLTA/BOA and MFH-ACA grants the funds were considered Unearned Revenue. Each month MMLSC transfers funds used out of Unearned Revenue. As of December 31, 2018, the remaining balance in the Unearned Revenue account was \$31,897, of which \$25,663 are IOLTA/BOA grant funds and \$6,234 are MFH-ACA grant funds.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2018 and 2017

NOTE 5 – Liquidity and Availability of Financial Assets

MMLSC does not have a fixed policy on the amount to be kept in reserves in the checking account. They generally maintain large balances in the money market accounts to sufficiently meet expenditure needs. In the event of an unanticipated liquidity need, all non-project specific funds would be available for immediate withdrawal.

Financial Assets

Cash and Cash Equivalents	\$ 1,298,972
Cash - Client Trust Fund	3,920
Grants Receivable	59,384
Unconditional Promises to Give	28,498
Financial Assets, at year-end	<u>1,390,774</u>

Funds unavailable for general expenditures within one year due to:

Restrictions by donor with purpose restrictions	-
Restrictions by donor with time restrictions	-
Board designated reserves	-
Financial assets available to meet cash needs within one year	<u>\$ 1,390,774</u>

NOTE 6 – Fixed Assets and Accumulated Depreciation

Fixed assets are recorded at cost if purchased and at fair market value on the date of the gift if received by donation. No LSC funds are used by MMLSC to acquire assets.

Effective April 23, 2014 the board approved a policy to capitalize fixed assets with an original cost of \$2,000 or more. Depreciation is calculated using the straight-line method over the useful life of the asset ranging from three to thirty-nine years. The following is a schedule of fixed assets and accumulated depreciation at December 31:

	<u>2018</u>	<u>2017</u>
Land and Buildings	459,880	459,880
Equipment	68,545	66,832
Law Library	535	535
Less: Accumulated Depreciation	<u>(121,103)</u>	<u>(113,141)</u>
	<u>\$ 407,857</u>	<u>\$ 414,106</u>

Assets totaling \$4,805 and \$0 were disposed of during 2018 and 2017, respectively.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2018 and 2017

NOTE 7 – Intangible Assets and Accumulated Amortization

In 2014, MMLSC launched a website for the first time in its history. The website is estimated to have around five years of useful life. Therefore the costs related to developing the website were capitalized and are being amortized on a straight-line basis over five years. The following is a schedule of intangible assets and accumulated amortization as of December 31:

	2018	2017
Website	\$ 5,120	\$ 5,120
Less: Accumulated Amortization	(4,608)	(3,584)
	\$ 512	\$ 1,536

NOTE 8 – Accrued Payroll and Payroll Taxes

MMLSC records the value of earned time off as a liability at the end of the year. The total value of accrued payroll, annual leave, and payroll tax expense is \$76,116 at December 31, 2018 and \$62,846 at December 31, 2017.

NOTE 9 – Fair Value of Financial Instruments

Due to their short-term nature, the carrying value of cash, short-term receivables, prepaid expenses, accounts payable, and note payable approximates their fair value at December 31, 2018 and 2017.

NOTE 10 – Concentration of Revenue

Approximately 31% and 36% of MMLSC’s revenue is received from LSC in a field grant for 2018 and 2017, respectively. The State of Missouri provided another 28% and 23% in 2018 and 2017, respectively, of MMLSC's funding from part of the filing fees for each case, Supreme Court attorney fees, and tort victim awards. An additional 7% and 4% of revenue was derived from Cy Pres awards in 2018 and 2017, respectively. Lesser amounts of revenue come from a private foundation which collects interest from attorneys’ trust funds and disburses it to legal aid programs, donations, and miscellaneous sources for 2018 and 2017.

NOTE 11 – Retirement Plan

For the years ending December 31, 2018 and 2017, MMLSC made a non-elective profit sharing contribution of \$21,253 and \$32,466 to its defined contribution plan. The amount due for 2018 was \$34,253 but \$13,000 from the forfeiture account was applied to the payment.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2018 and 2017

NOTE 12 – LSC Grant Cash Carryover

Although the LSC field grant allows a carryover of cash from one fiscal year to the next, none of the cash on hand at the end of the year is carried over to the next year from the LSC field grant. All LSC funds were spent during the year in compliance with the stipulations of the grant. MMLSC provided grant qualifying services to clients over and above what the LSC grant provides and the additional costs of those services is covered by funds available from other sources.

NOTE 13 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist only of grants promised in the current year for the next fiscal year, the release of which will occur with the expiration of time. The funds are grants from the following entities:

	2018	2017
Heart of Missouri United Way	\$ 17,498	\$ 17,498
Callaway County United Way	11,000	11,000
	\$ 28,498	\$ 28,498

NOTE 14 – Lease Commitment

MMLSC has entered into a two-year lease agreement for the rental of office space in Jefferson City. The lease was renewed effective December 1, 2018 through November 30, 2020 with a monthly rental payment of \$851. Future lease payments are as follows:

2019	\$	10,208
2020		9,358
2021		-
2022		-
2023		-
Thereafter		-
Total	\$	19,566

NOTE 15 – Subsequent Events

Subsequent events have been evaluated through March 8, 2019, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**SUPPLEMENTARY
INFORMATION**

Mid-Missouri Legal Services Corporation
Schedule of Support, Revenue, Expenses, and Changes in LSC Funds
For the Year Ended December 31, 2018
(With Summarized Totals for the Year Ended December 31, 2017)

	2018		2017	
	Basic Field Grant	Private Attorney Involvement	LSC Grant Total	LSC Grant Total
Support and Revenue				
Grant	\$ 414,487	\$ 59,212	\$ 473,699	\$ 447,967
Total Support and Revenue:	414,487	59,212	473,699	447,967
Expenses				
Personnel				
Lawyers and Paralegals	178,380	10,276	188,656	271,771
Administrative and Support	164,231	10,088	174,319	9,170
Employee Benefits	56,232	5,851	62,083	66,977
Total Personnel	398,843	26,215	425,058	347,918
Other Expenses				
Insurance	4,401	370	4,771	4,845
Judicare	-	31,544	31,544	33,965
Occupancy	7,272	713	7,985	8,616
Advertising and Publicity	792	535	1,327	898
Office Supplies	5,057	548	5,605	6,883
Audit	7,154	701	7,855	8,697
Rent	-	-	-	6,692
Telephone	7,233	782	8,015	10,313
Travel-Local and Board	4,462	53	4,515	5,653
Library	421	41	462	453
Training	583	-	583	3,188
Contract Services to Recipient	10,920	1,053	11,973	13,384
Litigation	-	-	-	298
Miscellaneous	61	6	67	224
Total Other Expenses	48,356	36,346	84,702	104,109
Total Expenses	447,199	62,561	509,760	452,027
Change in LSC Funds	(32,712)	(3,349)	(36,061)	(4,060)
Transfer of Funds	32,712	3,349	36,061	4,060
LSC Funds, Beginning of Year	-	-	-	-
LSC Funds, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

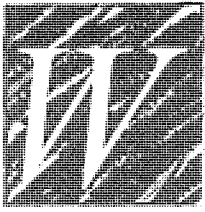
See independent auditor's report.

Mid-Missouri Legal Services Corporation
Schedule of Support, Revenue, Expenses, and Changes in LSC Funds
For the Year Ended December 31, 2017

	2017		
	Basic Field Grant	Private Attorney Involvement	LSC Grant Total
Support and Revenue			
Grant	\$ 391,971	\$ 55,996	\$ 447,967
Total Support and Revenue	391,971	55,996	447,967
Expenses			
Personnel			
Lawyers and Paralegals	264,838	6,933	271,771
Administrative and Support	-	9,170	9,170
Employee Benefits	62,774	4,203	66,977
Total Personnel	327,612	20,306	347,918
Other Expenses			
Insurance	4,394	451	4,845
Judicare	-	33,965	33,965
Occupancy	7,814	802	8,616
Advertising and Publicity	814	84	898
Office Supplies	6,123	760	6,883
Audit	7,959	738	8,697
Rent	6,692	-	6,692
Telephone	9,353	960	10,313
Travel-Local and Board	5,599	54	5,653
Library	411	42	453
Training	3,188	-	3,188
Contract Services to Recipient	12,138	1,246	13,384
Litigation	298	-	298
Miscellaneous	204	20	224
Total Other Expenses	64,987	39,122	104,109
Total Expenses	392,599	59,428	452,027
Change in LSC Funds	(628)	(3,432)	(4,060)
Transfer of Funds	628	3,432	4,060
LSC Funds, Beginning of Year	-	-	-
LSC Funds, End of Year	\$ -	\$ -	\$ -

See independent auditor's report.

SINGLE AUDIT



Winfrey Certified Public Accountants, PC

Harry C. Winfrey, C.P.A.
Jane E. Rasmussen, C.P.A.
Luanne Yarnell, Accountant

Member of
American Institute of C.P.A.s
Missouri Society of C.P.A.s

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*

Board of Directors
Mid-Missouri Legal Services Corporation
Columbia, Missouri

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 Mid-Missouri Legal Services Corporation as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents, and have issued our report thereon dated March 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-Missouri Legal Services Corporation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Missouri Legal Services Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-Missouri Legal Services Corporation'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

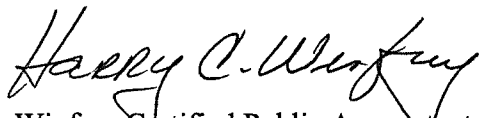
not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mid-Missouri Legal Services Corporation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Winfrey Certified Public Accountants, P.C.
Columbia, Missouri

March 8, 2019



Winfrey Certified Public Accountants, PC

Harry C. Winfrey, C.P.A.
Jane E. Rasmussen, C.P.A.
Luanne Yarnell, Accountant

Member of
American Institute of C.P.A.s
Missouri Society of C.P.A.s

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

Board of Directors
Mid-Missouri Legal Services Corporation
Columbia, Missouri

Report on Compliance for Each Major Federal Program

We have audited Mid-Missouri Legal Services Corporation's compliance with the types of compliance requirements described in the *Compliance Supplement for Audits of LSC Recipients* that could have a direct and material effect on Mid-Missouri Legal Services Corporation's major federal program for the year ended December 31, 2018. Mid-Missouri Legal Services Corporation's major federal program is 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Mid-Missouri Legal Services Corporation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, 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-Missouri Legal Services Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Mid-Missouri Legal Services Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Mid-Missouri Legal Services Corporation, 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.

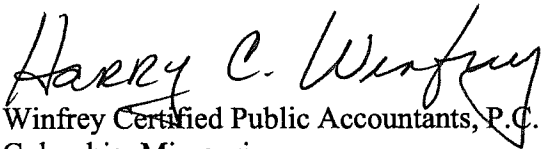
Report on Internal Control over Compliance

Management of Mid-Missouri Legal Services Corporation 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 Mid-Missouri Legal Services Corporation’s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on the 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-Missouri Legal Services Corporation’s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.


Winfrey Certified Public Accountants, P.C.
Columbia, Missouri

March 8, 2019

Mid-Missouri Legal Services Corporation
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Federal Expenditures:</u>
Legal Services Corporation			
Legal Services Corporation Basic Field Grant	09.526041		\$ 473,699
U.S. Department of Justice			
Crime Victim Assistance (VOCA)	16.575		81,706
U.S. Department of Health and Human Services			
Passed through the Missouri State Department of Social Services:			
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	SDA396121050	5,763
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	SDA396121051	2,882
Total Federal Expenditures:			<u><u>\$ 564,050</u></u>

Basis of Presentation:

The schedule of expenditures of federal awards includes only the current year grant activity of the Mid-Missouri Legal Services Corporation. The entity does not use the 10% diminimus method for allocating indirect costs. Indirect costs are allocated according to 45 CFR 1630.3(g) which usually results in more than 10%. This information is presented in accordance with the requirements of 2 CFR section 200.502 of the *Uniform Guidance*. The information in this schedule is presented on the accrual basis of accounting. Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in preparation of, the basic financial statements, although such differences are not material.

Mid-Missouri Legal Services Corporation
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section I : Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Corporation.
2. No material weaknesses were identified relating to the audit of the financial statements as reported in the "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."
3. No instances of noncompliance material to the financial statements of the Corporation were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by Uniform Guidance."
5. The auditor's report on compliance for the major federal award program for the Corporation expresses an unmodified opinion.
6. No audit findings relative to the major federal award program for the Corporation are reported in Section III of this Schedule.
7. The program tested as a major program was:

	Federal CFDA Number
Legal Services Corporation Basic Field Grant	09.526041

8. The dollar threshold used to distinguish between Type A and B programs, as described in the Section 200.518 and 200.519 of the Uniform Guidance, was \$750,000.
9. Using the criteria as defined in Section 200.520 for the Uniform Guidance, the Corporation does not qualify as a low-risk auditee for the year ended December 31, 2018.

Mid-Missouri Legal Services Corporation
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section II : Findings – Financial Statement Audit

There are no financial statement findings that are required to be reported for the year ended December 31, 2018.

Section III: Findings and Questioned Costs – Major Federal Award Program Audit

There are no findings of questioned costs related to the major federal award program audit that are required to be reported for the year ended December 31, 2018.