IN THE COMMUNITY

IN THE COURTS

Annual Report
2017
This Annual Report is dedicated to The Legal Aid Society's employees whose names are listed here.


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More than 120,000 lawyers work with 750 social work, investigators, paralegals and support workers.
The nation’s oldest and largest not-for-profit legal services organization is more than a law firm for poor New Yorkers. It is an indispensable component of the legal, social, and economic fabric of New York City – passionately advocating for low-income individuals and families across a variety of civil, criminal and juvenile rights matters, while also fighting for legal reform.

The Legal Aid Society has performed this role in City, State and federal courts since 1876. It does so by harnessing the diverse expertise, experience, and capabilities of nearly 1,200 lawyers and approximately 750 social workers, investigators, paralegals and support and administrative staff. Through a network of borough, neighborhood, and courthouse offices in 27 locations in New York City, the Society provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel. The Society’s legal program operates three major practices – Civil, Criminal and Juvenile Rights – and receives volunteer help from law firms, corporate law departments and expert consultants that is coordinated by the Society’s Pro Bono program. Annually, the Society handles more than 300,000 cases and legal matters for clients with civil, criminal, and juvenile rights problems. The Legal Aid Society takes on more cases for more clients than any other legal services organization in the United States. And it brings a depth and breadth of perspective that is unmatched in the legal profession.

The Legal Aid Society’s unique value is an ability to go beyond any one case to create more equitable outcomes for individuals and broader, more powerful systemic change for society as a whole. In addition to the annual caseload of more than 300,000 individual cases and legal matters, the Society’s law reform work benefits some two million low-income families and individuals in New York City and the landmark rulings in many of these cases have a Statewide and national impact.
REPORT OF THE CHAIRPERSON

I am immensely proud of the members of the Staff of The Legal Aid Society as they exhibit a steadfast diligence every day in the courtrooms and communities in all five boroughs of New York City, representing the men, women and children who need help. Never has their work been more important. At the same time, I have always thought of the women and men of The Legal Aid Society as being the legal profession’s first responders, a tremendous attribute of this great institution and a major source of pride for me as the Chairman of the Board.

Against all odds, The Legal Aid Society’s first responders have saved homes, secured essential medical benefits and food, kept families together, and saved lives. And they have done so for more than 140 years.

Staff immediately traveled to JFK Airport in January in response to the Executive Orders on immigration issued by the White House excluding individuals from seven countries. Other Staff went directly to Livingston Street in Brooklyn to the Legal Aid office to prepare writs for federal court. Leadership in the Civil and Criminal Defense Practices were devising plans for a round the clock hotline to aid immigrants. Within 24 hours, they achieved their goal and staff in the Community Justice Unit staffed the hotline. And, most important, we prevented the unwarranted removal of a number of immigrants. This kind of immediate response to crisis is standard operating procedure for our Staff.

Immediately following the devastation brought on by Hurricane Sandy, members of the Legal Aid Staff were in Coney Island, Rockaways, and Staten Island, helping people with FEMA applications and securing needed benefits and shelter. In doing so, many ignored their own personal problems to help our clients.

After the terrorists’ attacks on the World Trade Center, our Staff spent hours each day at FEMA’s downtown Manhattan headquarters assisting people with immigration issues, securing benefits for citizen children so entire families could have enough resources for food and shelter, and providing on the spot legal assistance. Our Staff worked in temporary space with the fate of their own offices across the street from the World Trade Center site very much in doubt.

Indeed, as far back at the early 1990s, our Staff rescued sailors from foreign countries who were kidnapped and sold to ship captains in New York harbor. Staff from The Legal Aid Society’s Seaman’s Branch spent days and nights in rowboats circling Manhattan, assisting seamen who were being captured. Through the Society’s efforts, legislation was enacted by Congress providing for better protection of seafaring men.

Our Staff continues to respond to the fears and needs of immigrant client communities by offering a series of informational forums throughout the five boroughs as well as by representing individual clients. In response to increased demand for immigration services we have secured the assistance of 25 law firms.

Special thanks to our dedicated Staff for the outstanding work they do. We dedicate this annual report to them and their names can be found on the inside covers. Seymour W. James, our Attorney-in-Chief, the Practice heads, Adriene Holder (Civil), Tina Luongo (Criminal Defense), Tami Steckler (Juvenile Rights) and Louis Sartori, Director of our Pro Bono Program which is the largest in the country, provide the excellent leadership that makes these accomplishments possible. Tami is being succeeded by Dawne Mitchell as she assumes her new position as the Chief Operating Officer. This position is one of the important steps in implementing the strategic plan we announced last year.

Seymour has announced that he will retire in June. We are all extremely grateful to him for his outstanding service to The Legal Aid Society and its clients over a 43-year career. Much has been accomplished. Through his years of service he has helped put us on a strong path for the future.

We are blessed with the incredible support of our Sustaining Law Firms who not only provide funds for our Civil Practice, but also stand side by side with our Staff as partners in responding to the needs of our clients. During Sandy recovery, for example, Weil, Gotshal & Manges LLP joined in litigation to keep hundreds of families who were Sandy evacuees in hotels until permanent housing could be found. Gibson Dunn & Crutcher joined the Society in challenging failure to provide necessary access and accommodations for Sandy survivors to apply for disaster relief food stamp benefits. Within a few days of the launching of the 24-hour hotline for immigrants, seven law firms took over the task. We recognize the seven firms who provide this exhaustive assistance that established the model for responding to legal crises in the future. They are: Cleary Gottlieb Steen & Hamilton LLP; Davis Polk & Wardwell LLP; Paul, Weiss, Rifkind, Wharton & Garrison LLP; Proskauer Rose LLP; Shearman & Sterling LLP; Simpson Thacher & Bartlett LLP; and Skadden, Arps, Slate, Meagher & Flom LLP.

Members of our Board of Directors are drawn from the most prominent law firms, corporate law departments and auditing firms, and law schools. Special thanks to the Chairs of the various Board committees including Charles Weinstein (Audit); Daniel F. Kolb (Development); Douglas F. Curtis (Finance and Investment); Thomas M. Cerabino (Nominating and Governance); Noah Hanft (Practice Support); Bradley I. Ruskin (Real Estate); Mark P. Goodman (Retirement and Benefits); and Randy Maistro (Strategic Planning and Communications).

No report would be complete without a mention of our beloved President, Fin Fogg. He has been a major force in keeping The Legal Aid Society on a strong financial footing. “We only spend what we have,” are words he states at just about every meeting of our Executive and Finance Committees. He has also rewritten the book on fund raising. We are indeed fortunate to benefit from his wisdom, his great humor, and his enormous, generous spirit.

Richard J. Davis
Chairman
REPORT OF THE PRESIDENT

We had another great year at The Legal Aid Society. We successfully met the challenges of today and strategically planned for the future as one of New York City’s major not for profits.

Our esteemed Attorney-in-Chief, Seymour W. James, has announced that he will retire in June after 43 years of dedicated service to The Legal Aid Society. Much has been accomplished during his tenure and he will leave The Legal Aid Society in a very strong position.

Seymour has devoted his entire legal career to defending and advocating for the rights of marginalized and vulnerable New Yorkers and fighting passionately to ensure they receive equal justice which is their Constitutional right. A leader of the organized Bar and a Past President of the New York State Bar Association, his dedication to public service extends beyond his role at The Legal Aid Society and his numerous bar association activities.

He began his career at The Legal Aid Society in 1974 as a staff attorney in the Brooklyn Office and has served in various supervisory capacities. Seymour was the first attorney of color appointed as the Attorney-in-Charge of the Criminal Practice, the largest public defender organization in the country. In the 10 years he served as the Attorney-in-Charge of the Criminal Practice, the Practice earned a national reputation for excellence. When he became the Attorney-in-Chief, Seymour urged the Board to consider the creation of a strategic plan which we have begun to implement. It will provide a blueprint for the future.

Implementing our five-year strategic plan, we have made a major change internally with the appointment of Tami Steckler as the Chief Operating Officer. Tami has served with distinction as the Attorney-in-Charge of our Juvenile Rights Practice. Dawne Mitchell, the Attorney-in-Charge of our Bronx Juvenile Office, will succeed Tami. Special thanks to Practice heads Tina Luongo (Criminal Defense) and Adriene Holder (Civil) for their outstanding work.

We are extremely proud that our Juvenile Rights Practice received the prestigious 2017 Congressional Angels Award for its excellence in the provision of direct legal representation to more than 30,000 children annually, for its appellate victories creating and changing laws that affect children locally and nationally, and for its success in changing or creating policies for the betterment of children’s lives. United States Senator Kirsten Gillibrand nominated JRP for this coveted award.

The Criminal Defense Practice worked closely with members of the New York City Council on a series of bills that would improve bail posting procedures, analyze the issue of ICE officers removing immigrant New Yorkers from our Courts, and the need for increased accountability and transparency of the New York City Police Department.

Our Civil Practice successfully advocated for the universal access legislation that will permit more poor New York City families to remain in their homes. We pressed hard for legislation to protect our vulnerable families from landlord harassment and wrongful evictions. Our Civil and Criminal Practices have responded immediately to Executive Orders from the White House which threaten the detention and deportation of our immigrant clients and tear apart families.

We are blessed with an exceptional Board of Directors led by Rich Davis, our Chairperson. We will honor Rich as the recipient of the 2018 Servant of Justice Award along with Herb Sturz. Rich has played an essential role at The Legal Aid Society for many years. During the restructuring, Rich was a major architect of the plan to save the Society, working quietly behind the scenes.

Each year, I have the privilege of announcing the recipients of the Orison S. Marden Awards, presented each year to members of the Legal Aid staff to recognize their excellent service and commitment. The awards honor Orison S. Marden who dedicated his life to helping others and served as Chairman of the Society for many years. The 2017 winners were chosen by their colleagues from among many nominations.

The recipient of the 2017 Marden Award for Management Attorneys is Dodd Terry, the Attorney-in-Charge of the Manhattan Office of JRP. Natasha Ingram, a Staff Attorney in the Bronx Civil Practice, is the winner of the Staff Attorney Award. Jasmina Chuck, a Paralegal in the LGBT Law and Policy Initiative, is the recipient of the Support Staff Award and Lauren Headley, an Administrator in the Manhattan Criminal Defense Office, is the winner of the Marden Award for non-Attorney managers. Stephen Somerstein, a Staff Attorney in the Brooklyn CDP office, will receive the award posthumously.

Last year, Sandra Scott, who served as the Chief Financial Officer, passed away. Her courage, integrity, and dedication serve as her lasting legacy. In her memory, the Sandra Scott Memorial Award for Excellence was created to recognize the dedication and outstanding achievement of our non-lawyer Central Administration staff. The 2017 award will be presented to Jose Tapias, Accounts Payable Coordinator in the Finance Department.

Congratulations to the winners. We are grateful for your dedication to The Legal Aid Society and its clients.

The Legal Aid Society will continue to tenaciously defend and passionately advocate for the rights of the poor and powerless—working to find new ways to ensure they receive the equal protections and justice that are their Constitutional right.

Fin Fogg
President
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(Officers and Directors as of June 30, 2017)

Members are drawn from the most prominent law firms, corporate law departments and auditing firms, and law schools in the nation.
SEYMOUR W. JAMES, JR.

The Best of Lawyers and of Men

Seymour W. James, a respected leader in the justice system and an internationally recognized expert in indigent defense, has announced that he will retire in June as the Attorney-in-Chief of The Legal Aid Society.

Seymour has spent his entire legal career of 43 years in public service at The Legal Aid Society. Beginning as a Criminal Defense Staff Attorney in 1974, Seymour rose in the organization, serving in various supervisory capacities including Supervising Attorney in the Bronx County office of CDP; Deputy Attorney-in-Charge of the Kings County and Queens County CDP offices and Attorney-in-Charge of the Queens County office of CDP. He served as the Attorney-in-Charge of the Criminal Defense Practice for 10 years, the first attorney of color appointed to the position, and earned the Practice a national reputation.

The announcement of his retirement to Staff was an example of his humility. Seymour wrote: “I know that our ability to provide high quality representation to our clients is, in large part, due to the efforts of you. I thank you for the talent, dedication and professionalism you exhibit every day. You perform your jobs exceptionally well, often under very difficult circumstances, and I want you to know that I am enormously grateful for everything that you do… I hope in some small way my work has helped to inspire you and reinforce the values I believe brought each of you to The Legal Aid Society: a desire to make sure our clients receive due process and equal justice and improve the quality of their lives.”

A leader of the organized Bar and a Past President of the New York State Bar Association, Seymour’s dedication to public service extends beyond his role at the Society and his numerous bar association activities. He has served and currently serves on some of the most important commissions on a City and State level. He has been honored by numerous organizations and law student groups for his leadership and commitment to equal justice. He is also the recipient of several lifetime achievement awards.

Most recently, at The Legal Aid Society’s celebration of 50 years of legal service to the people of Queens, Seymour’s successful endeavors in strengthening relationships with community and social justice organizations was noted by Queens Borough President Melinda Katz when she praised him for his work as the head of the Queens office, as the head of the Criminal Defense Practice, and as the head of The Legal Aid Society. The Honorable Joseph Zayas, Administrative Judge for Criminal Matters, Queens County Supreme Court, recalled when he was a young staff attorney and was assigned to Queens when Seymour was the Attorney-in-Charge. Judge Zayas said his excellent training and supervision put him on the solid path for a career as a lawyer and as a judge.

As The Legal Aid Society celebrated 50 years of service to Queens, proclamations declaring November 9, 2017 as The Legal Aid Society Day were presented from the Governor, the Mayor, the Public Advocate and Queens Borough President Melinda Katz. (from left) Seymour W. James, Attorney-in-Chief; Carolyn Silvers, Attorney-in-Charge of Queens JRP; Richard J. Davis, Chairman of the Board; Timothy Rountree, Attorney-in-Charge of the Queens CDP office; Borough President Katz; Blaine (Fin) Fogg, President; Sateesh Nori, Attorney-in-Charge of the Queens Neighborhood Office; Hersh Parekh, Governor Cuomo’s Queens Regional Representative; and Stacey Eliuk, Outreach Coordinator for public Advocate Letitia James. Missing from the photograph is Nick Gulotta, Queens Borough Director of the Community Affairs Unit of the Office of the Mayor.
REPORT OF THE ATTORNEY-IN-CHIEF

When I joined The Legal Aid Society in 1974, for what was to be a career spanning four decades, times were difficult. Caseloads were overwhelming in the criminal, civil, and juvenile rights areas. Even worse, there simply was not sufficient funding to hire enough lawyers to handle criminal appeals and the Civil Division was in danger of closing its Chelsea office. The City was on the verge of bankruptcy.

I was intent on providing the highest quality representation to the clients assigned to me, and making a difference in their lives. I had that opportunity in my role as a Staff Attorney. Over the years, I tried to achieve my initial objective for a broader group of clients in each successive role I held at The Legal Aid Society. Now, after 43 enriching and rewarding years, as I plan to retire in June, I look back with a sense of pride and great appreciation for what has been accomplished. The Legal Aid Society now includes a staff of nearly 2000. Legislation requiring that caseloads in criminal and child protective proceedings be limited has enabled us to add staff and has enhanced our ability to provide high quality representation to our clients. Special thanks to Davis, Polk & Wardwell and to Dan Kolb, senior counsel at the firm and a Vice Chair of the Society, for working with us over the years to provide the analysis that was necessary to improve standards. Ratios of social workers and investigators in the Criminal Defense Practice continue to improve because of their work.

When I was appointed the Attorney-in-Charge of the Queens Criminal Defense Office, Archibald R. Murray, the Attorney-in-Chief at the time, asked me to share my thoughts on working at The Legal Aid Society with law students. What is as true today as it was then, the Society “provides the unique opportunity of engaging in public service while working in a quality litigation office...providing supervision and training needed to become a first rate attorney.”

In the variety of positions I have held, I have had the privilege of working with some of the most talented and dedicated professionals in the country. Every day, our staff performs their jobs exceptionally well, often under very difficult circumstances. Their devotion to our clients and dedication to our mission to ensure that no one is denied access to justice because of poverty, has continually inspired me during the past 43 years. It has been an exhilarating experience working with them and learning from them. Together we have not only helped hundreds of thousands of people confronted with some of life’s most difficult challenges by addressing their needs and improving their lives, but we have also made the legal system fairer and more just.

During my tenure as Attorney-in-Chief, The Legal Aid Society took a lead role in the representation of unaccompanied immigrant children who fled abuse and violence in their homeland; increased outreach to communities through the Community Justice Unit; fought for the rights of mentally disabled New Yorkers facing eviction; successfully defended the rights of mentally ill parolees who are unable to assist in their defense; fought for greater transparency and accountability in the NYC Police Department; obtained the exoneration of clients wrongly convicted decades ago; won criminal cases with DNA and Digital Forensics Units using cutting-edge research and analysis; won a landmark victory removing barriers on necessary healthcare for transgender youth and adults; advocated for the New York Immigrant Family Unity Project to defend New Yorkers from unjust detention and deportation; in response to Executive Orders on immigration prevented unlawful deportations of immigrants at Kennedy Airport, created a 24-hour hotline to inform immigrants and their families of their rights, and assisted immigrant clients at Know Your Rights sessions city-wide; continued its advocacy to assist inmates, including obtaining a landmark consent decree to reduce abuse of prisoners at Rikers Island; fought against landlord harassment of tenants; and helped persuade the City to establish universal access to an attorney in Housing Court.

A diverse staff enriches our work experience, broadens the perspectives we need to address issues of representation and enables us to more effectively connect with our clients. As part of our commitment to continuing to enhance diversity and recruitment, I appointed Femi Disu-Oakley as the Director of Diversity and Inclusion and Bharati Naramanchi as the Director of Recruitment. Their work will further improve the quality of our representation.

I want to thank Richard J. Davis, our Chairman, and Blaine (Fin) Fogg, our President for their commitment to our cause of equal justice and their guidance and assistance. During my retirement, I will not give up the practice of law. I am looking forward to spending more time with my family and pursuing interests that I have not had the time to explore. I will, however, miss the staff which toils tirelessly to make a difference in clients’ lives and I shall watch with great pride and admiration as The Legal Aid Society continues to protect, defend, and advocate for the rights of vulnerable New Yorkers.

Seymour W. James, Jr.
Attorney-in-Chief
DIVERSITY AND INCLUSION

We are pleased to announce that in June 2017, Femi Disu-Oakley was appointed as our Director of Diversity and Inclusion, an important part of our senior leadership team. This newly created role is part of the Society’s strategic plan and is a call for enhanced diversity and inclusion for our staff. This pivotal step reflects our continuing commitment to celebrating each other’s differences, while creating and maintaining a respectful and affirming workplace environment. Such an environment ultimately enriches our work experiences and enables us to more effectively connect with the diverse communities that we serve.

As follow up to our previous “Anti-bias” training, which allowed our staff to engage in meaningful and productive conversations about implicit bias and stereotypes, we have advanced our commitment to diversity by providing “Interrupting Bias” training for management. This recent training was designed to help supervisors identify implicit bias and microaggressions and provide them with the tools to step in and interrupt those biases in real time. We will continue to develop and coordinate educational opportunities for the organization to enhance our cultural competency goals and to foster healthy dialogue about diversity issues. Our commitment to diversity training and education is not limited to our internal organization. We continuously engage in panel discussions, trainings and speaking engagements within the larger legal community to discuss diversity and racial and social equity issues.

In order to maintain a sustainable diverse workplace, partnership and collaboration is vital. The Society’s management team works closely with our union’s Association of Legal Aid Attorneys and 1199 SEIU. Several caucuses within those unions have helped to identify and address our various diversity needs. The Attorneys of Color at Legal Aid, The Black Attorneys of Legal Aid, and The LGBT caucuses are groups within our organization that help to ensure that our staff have a voice in the shaping of workplace culture. Through these important partnerships, we collaborate on various diversity initiatives in areas such as recruitment, retention and promotion of diverse employees. The Legal Aid Society proudly co-hosts various diversity networking and mentoring events and programs to attract applicants of color and members of the LGBTQ+ communities to our organization.

In the past year we have celebrated and recognized various cultures through our Heritage Month celebrations and community involvement in Pride Month and the West Indian Day parade. Our Heritage Month celebrations have included staff and external speakers on issues related to the individuals’ heritage. We have also developed a “Diversity Digest” which ensures that our staff receives regular information highlighting our diversity and inclusion achievements and events. It also informs staff about external opportunities for training and dialogue that may heighten our ability to enhance our own diversity and inclusion.

The Legal Aid Society is excited to continue our advancements in the diversity and inclusion arena. We strive to become leaders and champions for change for the betterment of our organization and the clients we serve.

The Shriver Center’s Racial Justice Training Institute

A team from The Legal Aid Society was accepted into The Shriver Center’s Racial Justice Training Institute, a groundbreaking national leadership program that offers a transformative experience to build and fortify agents for change. The LAS team spent 6 months learning RJTI’s model which puts race front and center in the fight for equal justice. The team learned how to address the impact of structural racialization in housing, education, employment, healthcare, and more, and ensure that race is considered foremost in our efforts to eradicate poverty in the communities we serve.
The Civil Practice has completed a third year of significant growth, largely due to commitments from the City to support New Yorkers facing eviction or the threat of deportation due to lack of status. An increase of more than 100 staff has brought with it incredible opportunities to serve New Yorkers as well as new fundraising challenges to keep up with increased operational costs. While the Civil Practice is now larger than the entire Society was three and a half decades ago, we continue to draw on our strengths of our practice area experts and innovators, creating models replicated and built upon throughout the country. As we complete a full year since the presidential election and look back, I could not be prouder of The Legal Aid Society as an employer who values our staff’s diversity and expertise, and who tirelessly and without pause defends the rights of our City’s most marginalized populations. I am proud to highlight our accomplishments from the last year, and am invigorated as we brace for the next phase of legal challenges.

**Know Your Rights Sessions Following the Presidential Election**

The Immigration Law Unit in particular has demonstrated the deftness, stamina, and expertise needed to navigate the constant policy changes coming from the new Administration. Following the presidential election, the Immigration Law Unit (ILU) dedicated significant staff resources to holding a series of *Know Your Rights* (KYR) presentations around the City, to discuss changes we expected to see with the new administration and what immigration options and remedies are available to undocumented immigrants. In the first six months following the election, ILU offered 65 trainings throughout the City, reaching nearly 4,300 individuals. At these presentations, ILU staff from our Civil Practice provided an immigration KYR, our Criminal Defense Practice discussed rights in the event of an arrest, and our Juvenile Rights Practice discussed the rights of parents and children in the school system and the process of setting up a guardianship if parents are facing deportation and want to set up an emergency plan for their children. These trainings were co-hosted with community-based organizations (CBOs) and schools, including several local high schools serving large immigrant communities. The unprecedented demand for information is a testament to the heightened fear among immigrants and their families, as well as the demand for credible legal information that continues to grow.

**Protecting the Rights of Immigrants in Partnership with Our Pro Bono Partners**

As further described in this Annual Report, the Society partnered with 25 private law firms as part of three rapid response projects based on the proposed changes to immigration law following the election of President Donald J. Trump. These projects included staffing an ICE (U.S. Department of Homeland Security Immigration and Customs Enforcement) Raid Hotline; partnering on U Visa cases for undocumented victims of violent crime who were helpful to law enforcement; and partnering on asylum cases involving unaccompanied minor children. As the immigration landscape was quickly changing, there was an urgency to file these cases before avenues for immigration relief were closed for our clients. The firms’ assistance on these cases ensured that we could timely file these cases on behalf of our clients.

**Rapid Response to the Muslim Ban at JFK Airport**

Immigration attorneys from the Society were among the first responders to John F. Kennedy International Airport (JFK) on January 28, 2017 to provide assistance following the issuance of President Trump’s Executive Order the day earlier, which was intended to exclude individuals from seven countries. Our attorneys assisted in preventing the removal of a number of immigrants, and the experience and expertise that our attorneys have in assisting detained individuals was transferrable to the events that unfolded after the issuance of the Executive Order.

One client that we assisted at JFK was Ms. S, a 30-year-old woman from Iran, who had been studying at a university in the United States under a valid
and current F1 student visa. She never violated any of the terms of her visa and has been in full compliance with any and all requirements. Having not been home to visit family in a number of years, Ms. S took a short trip home to Iran in January 2017, prior to the issuance of the Executive Order. When she flew back to JFK, she was immediately detained by immigration authorities who told Ms. S that her student visa was being revoked on the basis of the Executive Order signed by President Trump the day before. Ms. S was detained upon landing at JFK by Customs and Border Patrol (CBP). Fortunately, she had a number of friends who came to the airport to greet her at JFK whom she was able to notify via text that she was being detained. Her friends contacted attorneys from The Legal Aid Society who had gone to JFK airport to provide assistance. The Society attorneys, together with a pro bono attorney prepared and filed an individual Habeas Petition with the United States District Court in the Eastern District of New York on Ms. S’ behalf.

After the United States District Judge in the Eastern District of New York signed a stay of President Trump’s Executive Order, Ms. S’ friends and attorneys were advised that she would be released. However, shortly before 1:00 a.m., they learned that she had been put on a plane that was proceeding for takeoff. The Society contacted the United States Attorney’s Office for the Eastern District of New York and received a call back from an Assistant United States Attorney (AUSA), who contacted CBP and advised that the plane must be turned around and returned to the airport gate so Ms. S could disembark. When she got off the plane, she was returned to a holding area where she stayed until she was released the following morning. After her release, Ms. S provided further details about the situation she faced at JFK, including having been shackled on her way to the plane and remaining in shackles until forced to be seated on the plane. After she was seated and her shackles were removed, Ms. S stood up and tried to begin walking in the aisles of the plane to inform the flight attendants of the stay issued by the court. She was pushed by the flight attendants back onto her seat. Other passengers began to verbally harass her. Despite being pushed and harassed, Ms. S continued to fight to remain standing and refused to sit down. She continued to insist that she was being unlawfully removed from the United States. As a result of the advocacy of Society attorneys, Ms. S eventually won her battle and continues to study in the United States and is recovering from the traumatic events that occurred at JFK.

Creating a Rental Subsidy Through Litigation and Advocacy for Families Facing Homelessness

Through class action litigation, the Society’s Law Reform Unit created a new housing subsidy – the Family Homelessness and Eviction Prevention Supplement (FHEPS) – that will assist as many as 20,000 families with minor children who are facing homelessness as a result of an eviction proceeding or domestic violence.

In September 2017 the New York State Supreme Court approved a class settlement in Tejada v. Roberts (previously Velez v. Roberts) brought by the Society and Hughes Hubbard & Reed. The case was brought on behalf of a class of families with minor children who are eligible for public assistance against the New York State Office of Temporary and Disability Assistance (OTDA). The class action settlement will help address the large gap between the State’s basic shelter allowance – which is only $400 per month for a family of three – and the actual cost of housing in New York City. This case built upon a lawsuit that the Society brought 30 years ago, Jiggetts v. Dowling, which determined that poor families with minor children are entitled to a basic rent subsidy from the State to help prevent homelessness. The Jiggetts litigation resulted in the creation of rent subsidies, including the Family Eviction Prevention Supplement (FEPS), to assist low-income New Yorkers. In the Tejada litigation, the plaintiffs sought to increase the FEPS subsidy to better assist New Yorkers as rents continue to rise.

The new FHEPS rent supplement, when combined with the existing shelter allowance, will provide as much as $1,534 for a family of three to maintain or secure an apartment. It will also open up the joint State and City-funded program to families who are facing homelessness as a result of domestic violence for the first time. And the FHEPS program benefits are indexed to track any increases in rents.
approved for the City’s rent-stabilized apartments over the next five years.

The FHEPS program will consolidate and expand upon existing rent supplement programs. The program is being launched on a pilot basis in Brooklyn and the Bronx in November 2017. In December 2017, some 16,000 households currently receiving some other form of rent supplement will be automatically enrolled in the new program, and applications will be accepted throughout all five boroughs of the City. Starting in October 2017, attorneys at The Legal Aid Society, in cooperation with the State Office of Temporary Disability and Assistance and the New York City Human Resources Administration, began a series of training sessions that will reach nearly 1,000 advocates and City workers over the next several months, providing them the information they need to help families access the new FHEPS program.

Up to 200,000 or more individuals will ultimately benefit from the Tejada litigation. This remarkable success builds upon the Society’s initial landmark litigation, Jiggetts v. Dowling, which had already helped hundreds of thousands of individuals over the course of more than three decades prior to the Tejada settlement.

ENSURING REASONABLE ACCOMMODATIONS FOR HOMELESS PEOPLE WITH DISABILITIES

A proposed settlement in a class action case, Butler v. City of New York, will make the homeless shelter system accessible for disabled New Yorkers. The case was brought by The Legal Aid Society with our pro bono partners, White & Case on behalf of Center for Independence of the Disabled, New York (CIDNY) and Coalition for the Homeless, as well as several named plaintiffs.

In September, the United States District Court for the Southern District of New York held a fairness hearing and approved the settlement on October 16, 2017. The settlement agreement is with the New York City Department of Homeless Services (DHS) and a class of individuals who have a disability and who currently live in shelter, who will seek shelter in the future, or who tried to access shelter on or after May 14, 2012. The settlement allows for unprecedented access to reasonable accommodations and a total overhaul of the existing shelter locations to provide for more accessible and supportive shelter placements and services for over 60,000 homeless individuals, many of who have significant physical and mental disabilities. It will also require DHS to train its staff on the rights of people with disabilities, as well as making it easier for disabled individuals to request reasonable accommodations in shelter. The following case story highlights how the Butler decision has assisted New Yorkers during a critical point in their lives and helped them get on track to finding stable housing.

Ms. J met an attorney at the Society when she was exiting the New York City Department of Homeless Services’ Prevention Assistance and Temporary Housing (PATH) shelter intake office. The attorney was conducting outreach at PATH. Ms. J was homeless and seeking housing for herself, her husband, their daughter, and their son, T, who was 13 months old and suffering from heart problems and chronic lung disease. At the time, T had nurses assisting him 24 hours a day. The family was placed twice in a shelter in Brooklyn – out of range for T’s nurses – and without adequate space for his nurses and medical equipment. As a result, Ms. J was forced to be separated from her son.

The Society attorney successfully advocated to PATH’s lawyers to move the family to an appropriate placement where T’s medical needs could be met. Ms. J and her family have since moved out of shelter housing and into their own apartment. Ms. J and her husband are both working, their daughter is in Kindergarten, and T’s health has improved. He’s learning how to go up and down stairs, and he no longer has to be on oxygen. The Butler settlement will prevent families like Ms. J’s family from having to be separated from their children due to the City’s inability to accommodate disabilities.

PROTECTING AND PROVIDING FOR RUNAWAY HOMELESS YOUTH

The Society has engaged in advocacy efforts in the last quarter on behalf of New York City’s runaway and homeless youth (RYH) population. A number of members at the City Council have introduced a
packet of five bills that will enhance a young person’s access to effective, life-saving shelter and services.

Runaway and homeless youth comprise one of the City’s most vulnerable communities. Many are in precarious situations through no fault of their own. Per existing law, homeless young people can only stay in specialized youth shelters until the age of 21, at which point they must leave the home-like environment and tailored services of youth shelters and move to single adult shelters. Compounding this reality is the fact that the adult brain is not fully developed by age 21 but continues to transform well into the late twenties. Early research shows that trauma can slow or modify standard brain development as well.¹ Youth experiencing homelessness also usually come to the youth shelter systems having already been involved with the juvenile or criminal justice system, or having been a subject child in a Family Court proceeding. They often have trauma histories, including from their time living in the streets or couch-surfing. In NYC the vast majority are youth of color and between 20-40% of RHY identify as LGBTQIA+.² For these, and many more reasons, targeted services and treatment for young people are so important.

In April 2017, New York State enacted enabling legislation allowing localities to expand how programs service runaway homeless youth. Now we are urging the City to do their part. Specifically, if signed into law, this legislation will:

- Increase the age eligibility for runaway youth to access RHY programs from 21 to 25 (Int. No 1706)
- Extend the periods of time youth may remain in runaway and homeless youth shelters (Int. No 1699)
- Require the city to provide shelter services to all runaway and homeless youth who request such services (Int. No 1700)
- Report on the description and size of the RHY population as well as service needs population and other important data to help formulate tailored policy and programs (Int. No 1700 and 1619)
- Streamline the intake and assessment process connecting youth quicker to adult services and shelter programs when they age-out or time-out of RHY programs (Int. No 1705)

The Society is partnering with the Coalition for Homeless Youth, a not-for-profit coalition that represents 29 of the RHY providers and advocates in New York City, along with Coalition for the Homeless and other City agencies to support the passage of this package of bills. To this end the Society has already co-authored an Op-ed with Council Member Corey Johnson, and on September 28th organized a rally and press conference on City Hall steps prior to testifying before the General Welfare and Youth Services Committees of the City Council.

UNIVERSAL ACCESS TO LEGAL SERVICES IN HOUSING COURT

As a culmination of citywide efforts on the part of advocates, tenants, academics and legal services providers, Mayor Bill de Blasio signed legislation in August guaranteeing a right to counsel for low-income tenants in housing court, an issue The Legal Aid Society has long prioritized and advocated for. Justice cannot be achieved when over 90 percent of landlords have legal representation in eviction proceedings and 75 percent of tenants are unrepresented - and this is the unfortunate reality that plays out almost every day in housing courts around the city. The right to counsel will save taxpayer dollars, reduce homelessness and establish parity in a system that has largely favored landlords over seniors, working class families and other low-income New Yorkers, and the Society is currently working closely with the City on rolling out this initiative.


THE LEGAL AID SOCIETY
Transgender Clients Benefitting Following Cruz Decision

In 2014, the Society, the Sylvia Rivera Law Project, and Willkie Farr & Gallagher LLP as co-counsel brought the federal class action lawsuit against the New York State Department of Health (DOH) on behalf of New Yorkers diagnosed with gender dysphoria (GD) who were denied Medicaid coverage for medically necessary GD treatment. In December 2016, DOH began to provide Medicaid coverage for medically necessary hormone treatment and surgeries for transgender youth. As a result of this advocacy, New Yorkers now have broader access to medically necessary transgender health care. Since the changes in coverage, the Society’s Health Law Unit has been representing clients who experience denials. In a recent example, Mr. A, a transgender man, was denied gender reassignment surgery. Specifically, his surgeon requested a reduction mammoplasty for chest reconstruction. This procedure was denied as not medically necessary. Mr. A was insured through his employer-based insurance. The insurer’s policy for gender reassignment surgery (GRS) was severely outdated and did not abide by current standards of care for treating gender dysphoria and for the provision of gender affirming care. HLU challenged this denial through an external appeal with the Department of Financial Services. We achieved a successful outcome with his surgery approved and avoided having to litigate the matter. More so, as a result of the Society’s advocacy, along with other community-based organizations and with the interest of the New York State Attorney General’s office, the health plan modernized their plan to align it with current standards of care for GRS.

Assisting a Senior Citizen by Identifying Income Support, Property Tax Assistance and Preventing Foreclosure

Mr. C, a senior citizen, came to the Foreclosure Prevention Unit of The Legal Aid Society in May of 2017, seeking help with his mortgage on his home which had been in the family since 1962 and where he grew up. He had fallen behind on his mortgage payments due to a reduction in his income. At the time, the lender had not yet commenced a foreclosure. Mr. C’s mortgage had previously been modified with a two-percent interest rate. Our goal in helping Mr. C was to reinstate this affordable mortgage with funds from the Mortgage Assistance Program (MAP) which is operated by the Center for New York City Neighborhoods (CNYCN). Unfortunately, Mr. C’s income was not enough to meet MAP guidelines. After we reviewed Mr. C’s financial situation it may became clear that he was eligible for Social Security. We referred Mr. C to the Benefits Unit at the Society. An attorney in the unit assisted him with his application, and he is now collecting benefits. We also learned that Mr. C owed federal income taxes, resulting in a second referral to the Low Income Taxpayer Clinic, which assisted Mr. C in entering into a payment plan for his tax arrears. The Foreclosure Prevention Unit further helped Mr. C in applying to the New York City Department of Finance for the Senior Citizen Homeowners’ Exemption (SCHE) to reduce his property taxes. After having assisted Mr. C with his numerous financial problems, we then assisted him with his application for a MAP loan, which we expect will be granted and will prevent a foreclosure of his home.

Helping a Client Seeking Payment for Overtime Hours

Our Employment Law Unit (ELU) continues to provide legal services to low-wage and unemployed workers. Most cases involve unemployment insurance, wage and hour violations, and workplace discrimination, including discrimination based on past involvement with the criminal justice system and labor trafficking. The Unit frequently engages in settlement and negotiation which allows many of our clients to avoid litigation. The following case story serves as one example of the work of the Employment Law Unit.

Ms. M was employed as a home health aide from July 2014 to June 2016. She first contacted the Society in March 2016 because she had not been paid for approximately 30-40 hours of work and wanted assistance obtaining her wages. Ms. M kept excellent records: she maintained every paystub and every daily timesheet for her entire tenure with her employer. The daily timesheets proved to be crucial: at the end of every shift, the patient or proxy would sign the timesheet, indicating the precise minute Ms. M began and ceased to provide care for the patient. Upon review of her timesheets, it became apparent that Ms. M had not been paid
for all time worked. Instead, her employer had paid Ms. M only for hours scheduled: in other words, if her visit with a patient was scheduled for three hours, that was all she was paid, regardless of whether Ms. M had arrived at her shift early or departed after the scheduled time, as was often the case. Using her daily timesheets, we were able to determine that, over the course of the two years of her employment, Ms. M had been underpaid approximately $1,250. We ultimately settled her claim for $2,600 – the full amount of her unpaid wages due, plus 100% liquidated damages, and some interest.

The Legal Aid Society’s 34th annual Holiday Party for Homeless and Other Vulnerable was a huge success thanks to the staff and to members of the Board of Directors and the Board of Advisers and to their law firms and corporations for their generous contributions. The 500 children and their families are or have been homeless and are struggling to make ends meet and provide food and shelter. For many of these children, The Legal Aid Society party is the only source of holiday gifts.

Special thanks to the following firms whose outstanding donations of toys, books, games and volunteers made it possible for the children and their families to enjoy the happiness of the holiday season: Cravath, Swaine & Moore LLP; Davis Polk & Wardwell LLP; Freshfields Bruckhaus Deringer; Hughes, Hubbard & Reed LLP; Milbank, Tweed, Hadley & McCloy LLP; Morvillo, Abramowitz, Grand, Iason & Anello P.C.; Scholastic Books; Shearman & Sterling LLP; Sidley Austin, LLP; Sullivan & Cromwell LLP; Travelers; Wachtell, Lipton, Rosen & Katz; and Winston & Strawn LLP. Legal Aid’s own Human Resources Chief Officer Allan Fox entertained the children and Javier Chuck was a tremendous Santa Claus. Terri and Richard Kim donated the hundreds of items for the crafts table which is a major attraction at the party. Photographs of the children and the wonderful volunteers from the firms and The Legal Aid Society are on the Society’s website on the flickr section. You can see the happy faces and know that you are responsible for the smiles and laughter. We thank you so much for caring.
The expansive reach of the Criminal Defense Practice runs from its dynamic advocacy of clients in court to its presence and partnership in communities. As the primary public defender in New York City, staff zealously and tirelessly work to protect the rights of the most marginalized and disenfranchised in society. Yet our scope, as the country’s oldest and largest public defender, goes beyond any single case or client. Our community engagement, impact litigation and broader advocacy consistently strive for increased fairness and humanity in the criminal justice system, and seek to reduce the devastating permanent consequences of system involvement for our clients.

The Practice includes experienced trial offices in every borough, an Appeals Bureau, a Parole Revocation Defense Unit, a Prisoners’ Rights Project, a Community Justice Unit and a Special Litigation Unit. In each area, the Practice has developed innovative model projects that garner expertise and push criminal justice practice and discourse forward. In the past year, the Practice represented nearly 230,000 clients in trial, appellate and post-conviction matters.

We Defend Clients in Court
Day in and day out, Practice staff work to protect and fight for clients navigating justice system involvement. Our effectiveness stems from our work before, during and after a criminal case. For example, Practice staff field intake inquiries from clients needing assistance, engage in vigorous bail advocacy, and work with clients’ families to mitigate the larger impact of an arrest. Holistic advocacy is the hallmark of our representation; our attorneys, paralegals, investigators and social workers explore all angles of allegations and charges, relentlessly seeking to avoid unnecessary, unjust incarceration and connect clients with critical resources that address ongoing needs and obstacles.

Our staff tackles every issue confronting our clients, pressing on questions like the validity of eyewitness identification and the need for access to police disciplinary records. The Practice’s units devoted to DNA and digital forensics evidence and litigation apply the latest advances in order to challenge the government and secure evidence essential to the defense of our clients. We elicit narratives that often include compelling stories of innocence and false accusations, a fuller development of the facts and critical context. The results are dismissals, acquittals, placement in alternative to incarceration programs, reversals and even the clearance of wrongful convictions decades later.

One example of the Practice’s incredible litigation experience and holistic defense team power is that of our representation of Mr. Gill.

After a DNA “match” all but sealed Terrell Gill’s fate, his Legal Aid defense team in our Queens Community Trial Office, led by Maria C. Martinez and Jenny S. Cheung, continued to fight to prove his innocence. Working with Investigator, Savendra Somdat, and Paralegal, Pauline Quinones, we uncovered key evidence that was held back by District Attorney that exonerated Mr. Gill, allowing him to return home to his young daughter. The team was able to show the jury that DNA evidence, like any other evidence in court, needs to be analyzed, interpreted, and weighed against other evidence such as video and eyewitness accounts of the actual perpetrator. The team also discovered that another man had pled guilty to two other robberies of the exact fact pattern and admitted to also committing the robbery Mr. Gill was charged with and the district attorney knew that this man, who was serving a sentence on those two cases, was likely guilty of this third case. Leaving no stone unturned Maria and Jenny travelled upstate to visit the man in prison to obtain a statement confirming he committed the third robbery. Despite providing this information to the district attorney, Mr. Gill was tried. Luckily for our client, the jury acquitted him of all charges knowing he was wrongfully and unjustly prosecuted.
The Legal Aid Society helps people like Mr. Gill each and every day. Our hardworking staff works for those with nowhere else to turn, ensuring that New Yorkers who find themselves unjustly accused have a fighting chance at justice.

Our courtroom advocacy goes far beyond individual cases. Through the work of our law reform units, Special Litigation and Prisoners’ Rights Project, systemic change is achieved.

Our Special Litigation Unit, which brings class action and law reform cases, focuses on eliminating deep-seated problems affecting our clients’ rights, such as police abuse and government overreach. On September 30, 2016, we filed D.H., et al v. City of New York (SDNY), a civil rights class action against the City of New York and certain named officers of the New York City Police Department (NYPD) on behalf of women of color, many of whom are transgender, who have been wrongly arrested for innocent conduct under New York Penal Law Section 240.37. The plaintiffs have challenged the law which criminalizes loitering for the purpose of prostitution, because it is unconstitutional on its face and also because it is unlawfully enforced by NYPD officers who target women for arrest based on race, gender, ethnicity, gender identity, and/or appearance. Despite claims that it has reformed its relationship with the transgender community, the NYPD utilizes Section 240.37’s unconstitutional provisions to engage in “sweeps” aimed at arresting transgender women of color in public places where they attempt to gather and socialize as a community and avoid the violence, hostility and discrimination directed at them in other parts of the City.

This year the Unit’s Cop Accountability Project, which collects data of individual police officers past disciplinary issues, substantiated CCRB complaints and 1983 claims, launched a web-based mobile interface that will allow public defenders from NYC defender offices and Federal Defenders fast access to critical data cultivated and stored in the database. The information has proven to be invaluable. In one example Staff Attorney Zamir Ben-Dan of our Bronx Community Trial Office, using...
information gathered from the database, won a critical “Gissendanner” motion ordering the officer’s disciplinary history to be disclosed to the defense, leading to our client’s criminal case being dismissed and sealed. In another, Staff Attorney Jerome Greco of our Manhattan Trial Office used the database and compiled a dossier of information about a police officer who seemed to be profiling Asian men driving delivery bikes, leading to a dismissal after he shared the information with the assigned district attorney. He further shared his materials with others, leading to many more dismissals.

This pursuit of police information is extensive and goes to critical issues of police department accountability and transparency. The Special Litigation Unit is seeking Civilian Complaint Review Board misconduct summaries that were substantiated against Officer Daniel Pantaleo before he applied a fatal chokehold on Eric Garner. In July 2015, Manhattan Supreme Court Justice Alice Schlesinger decided such records fell outside the state’s stringent police personnel disclosure laws.

The Unit, working with pro bono partner Cleary Gottlieb Steen & Hamilton LLP has filed an appeal in this State’s highest court.

The Practice also fights to protect the rights of prisoners and people released to community supervision. Our Prisoners’ Rights Project advises and represents inmates in city jails and state prisons. Beyond any one case, the Project is a key advocate for fairness and oversight in New York’s jails and prisons. The Project is closely watching city compliance with a landmark consent decree to address prisoner abuse by Department of Correction. Additionally, answer daily calls from people held at Rikers or State prisons complaining of abuse and neglect.

Our Parole Revocation Defense Unit, the first of its kind in the nation established in 1972, represents clients released from prison to community supervision who are accused of breaching release conditions and are returned to jail on a parole violation – many times for a mere technical violation such as being late for curfew.

The Legal Aid Society has been a leading voice in supporting reform of discovery laws, striking down the “Blindfold Law.”
With the Practice’s Criminal Appeals Bureau, we continue to advocate long after the trial-level case ends when we represent clients on direct appeals and post-conviction matters. This work is supported by incredible pro bono counsel. In addition to cutting edge appellate litigation, appeals staff is a leading appellate provider in New York State Clemency Project. Just this year, the unit assisted more than 20 clients in preparing their petitions for the Governors’ review. In one successful example, CAB received relief for “AD”, 34, who was serving a 10-year sentence following his conviction of Robbery in the Second Degree. He made exceptional strides in prison, including earning a GED in 2014. “AD” was very involved as a group facilitator and certified animal caretaking with the Puppies Behind Bars program, in which inmates train service dogs for U.S. veterans returning home with post-traumatic stress disorder. He also worked as a teaching assistant in GED courses. When released, he planned to reunite with his two children, ages 15 and 11. Ultimately, he hopes to move closer to his parents in Florida and create a non-profit similar to Puppies Behind Bars for Florida State correctional facilities.

“AD” was represented by the The Legal Aid Society and by the firm of Cleary, Gottlieb – attorneys S. Ellie Norton & Ashley Kerr.

**We Demand An End To Mass Incarceration**

In 2016, the Special Litigation Unit launched its Decarceration Project to decrease and eventually end needless pre-trial jailing, which results when people cannot afford to pay bail. Along with becoming a strong voice in the national conversation on bail reform, the Decarceration Project piloted an innovative approach to bail litigation in our Manhattan Trial office. Project staff support and advise trial lawyers in challenging bail decisions, from arraignment through appeals to the appellate division. A specialized social worker meets with clients to identify service needs and match with appropriate programming. Staff also connect clients with bail funds and the Supervised Release program. The Project has brought over 50 bail applications, reviews, or motions for bail pending appeal, and over 40% of Project clients have won their release. The Project is also coordinating a brand-new inter-agency initiative to reduce, and eventually eliminate, the number of
women held pretrial on Rikers Island. With funding and support from the Open Society Foundation and FedCap, we identify eligible clients and prepares an application for review by the New York County District Attorney’s office, seeking prosecutorial consent to the client’s release to programming through FedCap and its community partners. Even in the absence of agreement from the DA, we have been successful in persuading judges to release our clients to participate in this program. In 2018 the Project hopes to continue expanding this work to other boroughs and ramp up training for lawyers Society-wide.

We Defend Communities
As the City’s primary public defender, we believe advocacy must not only take place in the courtroom, but in the communities where our clients live and work. Everyday our defenders are engaging clients, community members and advocacy groups helping to amplify the voices of people affected by a broken criminal justice system.

Practice members regularly testify before lawmakers and government agencies to comment on proposed legislation and provide insight on issues affecting our clients. The advocacy has led to important legislative victories. The Criminal Practice provides, in each forum, a critical and frequently overlooked voice, highlighting where reform is necessary.

Members of the Practice worked closely with New York City Council members to formulate a series of bills that would improve bail posting procedures, analyze the issue of ICE officers removing immigrant New Yorkers from our Courts and the need to increased accountability and transparency of the New York City Police Department. In addition to local hearings, members of staff have testified at New York State Assembly and Senate hearings and numerous, state and national panels, commissions and task forces. We believe that work to reform the criminal system is equally as important to the work we do on behalf of our individual clients.

Part of this effort is performed through the Community Justice Unit, which is premised on the idea of identifying and attempting to address neighborhood problems before they escalate into crises. For example, the Unit is part of a coalition made up of impacted family members, community members and community organizations who are

![Staff in Queens Criminal Defense were out in full force helping to give Queens residents a Second Chance by resolving outstanding summons warrants in a program with the Queens District Attorney’s Office and the Office of Court Administration.](image-url)
being affected by gang raids, immigration sweeps, surveillance and databases on suspected gang members and individuals alleged to be associated with gang members. Through this collaborative work, the group has put together speaking events at John Jay College, a town hall meeting in Harlem, a panel presentation at the Left Forum and a recent press conference where the group announced a recent action to demand accountability and transparency around this form of policing. Additionally, the CJU has been at the forefront of providing Know Your Rights training at the intersection of criminal law and immigration law. Through our cross-practice collaboration with our Immigration Law Unit and the Juvenile Rights Practice, CJU practice members regularly appear at panel events with elected officials such Congress Member Nydia Velasquez and New York City Council members to provide critical information to immigrant communities citywide.

Rather than being tied to one location, the Unit travels regularly to hold office hours at Cure Violence partner sites, and attend events and responses to shootings and gang takedowns. The Unit assists clients eligible for a diversion program meant to take 16- and 17-year-olds facing low-level misdemeanors out of the court system. The Unit conducts community intake and refers clients to Legal Aid staff in every practice area.
The challenging job of representing the voice of children in New York City Family Courts falls squarely on the shoulders of JRP, which represents 90% of the children who appear before the New York City Family Court on child welfare, termination of parental rights, PINS (persons in need of supervision), and juvenile delinquency petitions.

JRP has always sought to enhance the quality and expand the scope of its advocacy through the development of several specialized units. The Juvenile Services Unit (JSU), our social work component, was formed as a result of the pioneering work of JRP in teaming social workers with lawyers in order to adequately address the educational, social, and psychological issues that arise in Family Court proceedings. The Kathryn A. McDonald Education Advocacy Project (EAP) provide specialized legal and social work assistance in cases requiring educational advocacy.

Our Adolescent Practice Teams in each borough have garnered the expertise to provide representation necessary to ensure clients who are aging out of the foster care system receive the entitlements required by law and regulations. Additionally, these Teams have been able to offer all LAS staff their expert knowledge regarding these issues via trainings and through the development of standardized motion practice documents available to JRP staff as well as attorneys for children citywide. Our Trauma Advocacy Project works under a similar concept in which a team of staff in each borough has developed a particular expertise in working with children who are the subject of the most difficult abuse cases. This Project has developed interview protocols, court documents, and a vetted list of abuse experts for consultation and testimony purposes, as well as a comprehensive compendium of the best service providers for these children and their families.

Every day in the five boroughs of New York City, JRP staff represents almost 20,000 children in child welfare, juvenile justice, and PINS matters. This work is complicated, complex, and emotional and involves a considerable amount of in court advocacy including trials of all types. Knowing the serious and heartbreaking circumstances of our clients, JRP staff provides this representation in a holistic manner, ensuring each facet of our clients’ lives is addressed appropriately by ACS, NYC DOE, a myriad of provider agencies and the courts.

While our Special Litigation addressed the macro inequities our clients’ face, the attorneys, social workers, paralegals, support staff and investigators in the boroughs work at the micro level, meeting with young clients to reassure them and determine their position, fighting for the services to which they are entitled, presenting their positions to the court, participating in numerous hearings providing zealous advocacy, writing motions to both the trial and appellate courts to safeguard their rights, and dealing with agencies and an education system that are overwhelmed and often non-responsive to our clients’ needs. There is no way to adequately describe the intense, wide-ranging and far-reaching work other than to provide case examples that illustrate the depth of the work done every day by the staff of the Juvenile Rights Practice. This work literally changes lives, giving children and young adults hope that the very systems that so greatly impact their lives will hear their voice, their position. JRP’s 330 lawyers, social workers, paralegals, investigators and support staff, make sure the wheels of justice keep turning for the clients we so gratefully serve.

For example, Matthew V., is a 13-year old client with a diagnosis of Ewing Sarcoma cancer. His mother, who by all accounts is a loving a committed parent, is refusing recommended chemotherapy. Our client, whose cancer is currently stable, feels very healthy and active and also opposes chemotherapy. The hospital called ACS, based on the refusal of chemo, and ACS filed a neglect petition last week and asked for a remand for purposes of medical decision making. The case was on for a FCA 1027 hearing and a pediatric oncologist testified in support of the medical
recommendations. The Judge issued a decision authorizing ACS to take over medical decision making, in order to consent to chemotherapy.

Throughout the proceedings, the JRP attorney directly advocated our client’s position and beautifully articulated, in her summation, the importance of not substituting judgment in this case where, arguably, it would have been ethically permissible to do so. Our client fully participated in the hearing and had an in-camera interview with the Judge to articulate the basis of his position. Despite the highly emotional nature of the allegations, the JRP attorney’s composure, eloquence and preparedness impressed everyone in the courtroom and was noted by the Judge, opposing counsel, and most importantly our client and his family, who were grateful for our zealous advocacy. There is no winning outcome in this tragic case, but the JRP attorney’s advocacy gave our client a voice in the legal process and her summations were compelling and inspired.

Another client, Aniya S., has dual contact with Family Court. She is the subject of a child welfare case and juvenile delinquency case. Aniya, who is 12 years old, was accused of burning a friend at a sleepover with a pot of boiling water, resulting in serious injuries to her friend. Aniya was arrested and charged with a felony assault and about that same time the Administration for Children’s Services filed a neglect petition against her mother. Aniya was psychiatrically hospitalized after the incident and technically removed from her mother’s care by ACS. Our team, a social worker and attorney met with our client, in the hospital and developed a plan consistent with her position. Referrals were made, including to the Bloom Project, which provides intensive in-home services to delinquency-involved youth and their families.

The Kathryn A. McDonald Education Advocacy Project (EAP) provides early intervention, special education, general education and school suspension advocacy for children who are involved in child protective cases, juvenile delinquency cases...
and “persons in need of supervision” cases in New York City Family Court. EAP’s interdisciplinary staff currently consists of a Director, Assistant Attorney-in-Charge, four attorneys, three social workers and one paralegal. During FY 2016-2017, EAP provided direct advocacy on 409 new cases.

After initially receiving reports from the hospital recommending an out-of-home placement for our client, our team advocated with her treatment team, presenting the plan to keep Aniya home. The hospital staff changed their position on where Aniya should be discharged due to the strength of the plan developed by our team. This change in recommendation from the hospital strengthened our advocacy with both the Administration for Children’s Services and the Presentment Agency on the delinquency case. After JRP filed a motion for an emergency FCA 1028 hearing to return Aniya home, ACS consented to her returning home on that case. Additionally, the Presentment Agency consented to a parole of Aniya based on the services our team expertly set up in a very short period of time. Aniya has been home since being discharged from the hospital. ACS continues to monitor the home, services remain in place, our client is engaged in the intensive services, and we are anticipating favorable resolutions on both cases.

The incredibly positive and collaborative relationship forged the past 12 years between JRP management and staff has allowed JRP to shift and change to meet the needs of our clients and our staff. An example of this has been JRP’s Secondary Trauma Stress Committee. This staff/supervisor committee has been working for the past few years to address the issue of secondary trauma among staff. In addition to developing and implementing a PowerPoint training for staff and interns that teaches them to recognize the signs of vicarious trauma in themselves and their peers and offers suggestions for how cope with it, the Committee has initiated De-stress and Digest monthly lunch meetings in which staff meets to discuss the difficulties of working with clients who have been traumatized in a number of ways. We provide the training to all new interns and have made the training part of the initial child welfare training we give all incoming staff. Members of this committee have spoken and trained at national, state and local forums, and have begun to train in the other Practices as well. JRP knows that the well-being of our staff translates into more effective representation of our clients.

JRP continues to be an instrumental part of the City’s Juvenile Justice Advisory Council, and is an equally integral part of the State Department of Criminal Justice Services’ New York City Juvenile Justice Regional Center. JRP has also spoken on several panels related to the reforms, now speaks regularly in trainings and on panels regarding Raise the Age, including at a conference on Mental Health and Juvenile Justice, Appellate Department AFC trainings, law school events, and at the Practicing Law Institute. It is clear that part of our role in these forums, meetings, and task force groups is to act as a watchdog as the largest reform of the state’s and city’s juvenile justice system continues to be implemented.

Due to the landmark Close to Home law, the ability for JRP to continue our relationship with our clients post-placement has significantly improved. In response, JRP developed a innovative and comprehensive Post-Dispositional protocol to address the changing landscape of JRP’s post-dispositional delinquency practice. This protocol includes every facet of post-dispositional practice and was born out of the knowledge that children require continued advocacy whether they are on probation or in placement to ensure their rights are protected, their safety assured and their re-entry is successful. JRP’s dedication to their clients would not allow for anything less, child clients deserve advocacy that ensure long-term success. This successful model has been an integral part in the decrease in recidivism seen in the city’s juvenile justice practice.

On April 10, 2017, New York Gov. Andrew Cuomo signed into law the “Raise the Age” legislation that extends the age of criminal responsibility to 18 years of age. By October 2019, New York will no longer automatically prosecute all 16- and 17-year-olds as adults. Starting in September 2108 all cases involving 16 year olds charged with misdemeanors and some adolescents charged with nonviolent felonies will be heard in Family Court. At this juncture, the courts, prosecuting agencies, city and
Providing A Powerful Voice For Young Clients

state juvenile and criminal justice offices, defense organizations, probation and others are meeting to determine how this will be accomplished. But no matter what, it is clear that the implementation will involve an increase in cases for JRP staff. In attempting to estimate the number of children to be assigned to JRP staff,

One of the most exciting events of the past year was JRP’s Gault Event. To commemorate the 50th Anniversary of the Supreme Court’s landmark decision in In re Gault, the Juvenile Rights Practice held a full day conference at CUNY Law School on May 17, 2017. It was a incredible day for learning, reflection and inspiration.

JRP is particularly proud this year to have been nominated by Senator Kristen Gillibrand to be awarded the 2017 Congressional Coalition on Adoption Institute (CCAI) Angels in Adoption® Award, which is a very high honor. Being chosen by CCAI as an Angel in Adoption was exciting and culminated in our participation in recognition and award gala in Washington D.C. As part of this event, we were able to meet with several senators and congressional members about the issues that are so important to our clients. Additionally, JRP’s AIC was recognized by the New York Law Journal as one of the top 30 Women in Law in New York State, and was honored by Hofstra University Law School as the Public Justice Foundation’s 2017 Outstanding Alumni Award. Additionally, JRP’s AIC was chosen as the sole juvenile defender on a national research project funding by the Department of Justice to examine and recommend national public defender practice standards to increase public defense funding and support. JRP continues to be recognized as a leader in the field of juvenile law with our innovative and dynamic model of representation encompassing every facet of a child or young adult’s life.
THE PRO BONO PRACTICE

The Pro Bono Practice partners with volunteers from the private bar, corporate legal departments and law schools to assist the Society’s staff in handling matters for thousands of clients in their Civil, Criminal Defense and Juvenile Rights practices. Each year the Society works with over 3,000 volunteers in a variety of innovative projects including limited scope clinics, individual client representation and significant class action litigation on behalf of low income New Yorkers. Last year, over 280,000 volunteer hours were contributed to the Society by volunteers from 59 law firms, 44 law schools, and a dozen corporations.

2017 PRO BONO PUBLICO AWARDS

Seated, left to right: David Hille, Partner, White & Case LLP and Legal Aid Society Board Member; New York State Chief Judge Janet DiFiore; Louis O’Neill, Pro Bono Director & Counsel, White & Case LLP; and Patrick Rickerfor, Global Pro Bono Manager, White & Case LLP.

Standing from The Legal Aid Society, left to right: Seymour W. James, Jr., Attorney-in-Chief; Richard J. Davis, Chair, Board of Directors; Blaine (Fin) V. Fogg, President; Louis S. Sartori, Director, Pro Bono Practice.

The Legal Aid Society held its 2017 Pro Bono Publico Awards program on October 25, 2017 at The Prince George Ballroom in Manhattan honoring over 40 private law firms and corporations that assisted the Society with major law reform cases, individual client representations and other pro bono initiatives on behalf of vulnerable New Yorkers.

New York State Chief Judge Janet DiFiore presented White & Case LLP with the Society’s top honor, the Honorable Jonathan Lippman New York Pro Bono Publico and Public Service Law Firm Award. White & Case LLP was honored for its exceptional pro bono commitment to The Legal Aid Society and its clients. Under the leadership of David Hille, Partner and Legal Aid Society Board Member; Louis O’Neill, Pro Bono Director & Counsel; Patrick Rickerfor, Global Pro Bono Manager; and Partner Paul Carberry, the attorneys, legal assistants and administrative staff at White & Case have demonstrated a sustained commitment to meet the needs of the less fortunate in New York City. The firm has done exceptional work with our Homeless Rights and Housing Units on behalf of disabled New Yorkers seeking accessible shelters and appropriate subsidies. Additionally, their continued work defending the Sixth Amendment’s protection of the right to counsel, staffing the Criminal Defense Externship in Manhattan, providing counsel in criminal appeals, as well as handling both Immigration and Employment Law referrals through a unique Attorney Emeritus mentorship project, are only the most recent examples of a decades-long partnership with The Legal Aid Society.
Joseph S. Genova of Milbank, Tweed, Hadley & McCloy LLP was presented with the Public Interest Law Leadership Award for his extraordinary contributions as a volunteer attorney and leader of Milbank’s acclaimed pro bono program, and for fostering the private bar’s partnership with legal services organizations for over 25 years.

Additionally, firms were recognized in the following categories:

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TIME & TALENT

The impact of volunteer assistance on the clients of The Legal Aid Society

3244 Volunteers

1727 Attorneys
(From 59 law firms)

750 Paralegals and Administrative Professionals

402 Miscellaneous Staff
(From various resources)

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281,433 Hours of Pro Bono Assistance
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The Legal Aid Society acknowledges the outstanding support and dedication of the Sustaining Law Firms. These firms sustain the work of The Legal Aid Society by contributing at a leadership level of $600 per attorney in their New York offices.

The support of the Sustaining Law Firms enables The Legal Aid Society’s Civil Practice to provide legal representation to the most vulnerable New Yorkers, including: senior citizens, survivors of domestic violence, persons living with HIV/AIDS, homeless and imminently homeless families and individuals, adults and children living with disabilities, immigrants, and low-income wage earners.

The support of the Sustaining Law Firms helps to ensure that poverty is not a barrier to accessing the justice system.

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We are deeply grateful to all the law firms, corporations, foundations, and individuals for their support of our work this past year. With contributions from so many committed members of our community, we continue our push each day to ensure that no New Yorker is denied access to justice because of poverty. We are especially thankful to our Sustaining Law Firms, whose enduring generosity allows us to bring essential legal services to thousands of vulnerable New Yorkers.

Each year, the generous support from the individuals and organizations listed below lets us handle over 300,000 individual cases and undertake a number of important law reform litigation cases that make a lasting change for millions of underserved New Yorkers. Every day, in every borough, our staff makes justice a reality for our clients, bringing an unmatched depth and breadth of legal expertise to ensure that justice is served.

In these uncertain times, the commitment of our donors means more than ever before. As our clients face new legal challenges, the support of our donors allows us to grow and adapt, bringing vital legal services to the communities that need them the most. Our efforts to provide holistic and effective legal assistance to families and individuals across the city would not have been realized without the dedication of all our supporters.

We thank you for your thoughtful investment in the New Yorkers we serve every day.

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THE LEGAL AID SOCIETY

Financial Report

June 30, 2017

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Independent Auditor’s Report

Board of Directors
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Report on the Financial Statements
We have audited the accompanying financial statements of The Legal Aid Society, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

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. 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 The Legal Aid Society as of June 30, 2017, and the results of its operations 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 Legal Aid Society's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP
New York, New York
November 8, 2017
The Legal Aid Society

Statement of Financial Position
June 30, 2017
(With Summarized Financial Information for the Year Ended June 30, 2016)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 33,300,932</td>
<td>$ 24,840,156</td>
</tr>
<tr>
<td>Receivables from grants, governmental contracts, and other</td>
<td>38,181,221</td>
<td>35,388,324</td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td>8,859,340</td>
<td>8,388,692</td>
</tr>
<tr>
<td>Deferred charges and other assets</td>
<td>5,563,289</td>
<td>5,210,326</td>
</tr>
<tr>
<td>Property and equipment, at cost, net</td>
<td>5,292,176</td>
<td>4,257,299</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 91,196,958</td>
<td>$ 78,084,797</td>
</tr>
<tr>
<td><strong>Liabilities and Net Asset (Deficiency)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 3,188,235</td>
<td>$ 1,601,362</td>
</tr>
<tr>
<td>Accrued payroll and other employee expenses</td>
<td>37,880,341</td>
<td>29,314,984</td>
</tr>
<tr>
<td>Program advances</td>
<td>181,030</td>
<td>4,323</td>
</tr>
<tr>
<td>Accrued postretirement health and benefits cost</td>
<td>47,047,169</td>
<td>47,853,880</td>
</tr>
<tr>
<td>Pension liability</td>
<td>20,466,898</td>
<td>29,691,179</td>
</tr>
<tr>
<td>Deferred lease incentives and lease obligations</td>
<td>18,969,335</td>
<td>17,074,401</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>127,733,008</td>
<td>125,540,129</td>
</tr>
</tbody>
</table>

Commitments and contingencies

Net assets:

Unrestricted:                                               | (42,217,546)    | (53,161,802)    |
Temporarily restricted                                     | 3,615,473       | 3,640,447       |
Permanently restricted                                     | 2,066,023       | 2,066,023       |

**Total net asset (deficiency)**                           | (36,536,050)    | (47,455,332)    |

**Total liabilities and net asset (deficiency)**           | $ 91,196,958    | $ 78,084,797    |

See notes to financial statements.
The Legal Aid Society

Statement of Activities
Year Ended June 30, 2017
(With Summarized Financial Information for the Year Ended June 30, 2016)

<table>
<thead>
<tr>
<th></th>
<th>2017 Unrestricted</th>
<th>2017 Temporarily Restricted</th>
<th>2017 Permanently Restricted</th>
<th>2017 Total</th>
<th>2016 Summarized</th>
<th>2016 Comparative Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support and revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program support and revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Criminal Defense Practice</td>
<td>$157,411,386</td>
<td>$221,697</td>
<td>-</td>
<td>$157,633,083</td>
<td>$160,074,752</td>
<td></td>
</tr>
<tr>
<td>Juvenile Rights Practice</td>
<td>43,389,629</td>
<td>217,648</td>
<td>-</td>
<td>43,607,277</td>
<td>43,031,074</td>
<td></td>
</tr>
<tr>
<td>Civil Practice</td>
<td>46,292,176</td>
<td>2,715,092</td>
<td>-</td>
<td>49,007,268</td>
<td>40,993,270</td>
<td></td>
</tr>
<tr>
<td>Contributions (net of direct expenses related to the benefit)</td>
<td>14,629,822</td>
<td>185,466</td>
<td>-</td>
<td>14,815,288</td>
<td>13,612,136</td>
<td></td>
</tr>
<tr>
<td>Return (loss) on investments, net</td>
<td>943</td>
<td>485,554</td>
<td>-</td>
<td>486,497</td>
<td>(108,476)</td>
<td></td>
</tr>
<tr>
<td>Court awards</td>
<td>216,154</td>
<td>-</td>
<td>-</td>
<td>216,154</td>
<td>85,335</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>205</td>
<td>-</td>
<td>-</td>
<td>205</td>
<td>30,366</td>
<td></td>
</tr>
<tr>
<td>Net assets released from restrictions - satisfaction of program and time restrictions</td>
<td>3,850,431</td>
<td>(3,850,431)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total support and revenue before in-kind contributions</td>
<td>265,790,746</td>
<td>(24,974)</td>
<td>-</td>
<td>265,765,772</td>
<td>257,718,457</td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Criminal Defense Practice</td>
<td>152,406,427</td>
<td>-</td>
<td>-</td>
<td>152,406,427</td>
<td>147,546,554</td>
<td></td>
</tr>
<tr>
<td>Juvenile Rights Practice</td>
<td>43,648,018</td>
<td>-</td>
<td>-</td>
<td>43,648,018</td>
<td>41,098,932</td>
<td></td>
</tr>
<tr>
<td>Civil Practice</td>
<td>58,025,671</td>
<td>-</td>
<td>-</td>
<td>58,025,671</td>
<td>43,367,843</td>
<td></td>
</tr>
<tr>
<td>Total program services before in-kind contributions</td>
<td>254,080,116</td>
<td>-</td>
<td>-</td>
<td>254,080,116</td>
<td>232,013,329</td>
<td></td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>14,398,169</td>
<td>-</td>
<td>-</td>
<td>14,398,169</td>
<td>13,763,393</td>
<td></td>
</tr>
<tr>
<td>Fundraising expenses</td>
<td>877,532</td>
<td>-</td>
<td>-</td>
<td>877,532</td>
<td>884,321</td>
<td></td>
</tr>
<tr>
<td>Total supporting services</td>
<td>15,275,701</td>
<td>-</td>
<td>-</td>
<td>15,275,701</td>
<td>14,647,714</td>
<td></td>
</tr>
<tr>
<td>Total operating expenses before in-kind contributions</td>
<td>269,355,817</td>
<td>-</td>
<td>-</td>
<td>269,355,817</td>
<td>246,661,043</td>
<td></td>
</tr>
<tr>
<td>Results of operations</td>
<td>(3,565,071)</td>
<td>(24,974)</td>
<td>-</td>
<td>(3,590,045)</td>
<td>11,057,414</td>
<td></td>
</tr>
<tr>
<td>In-kind contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from legal services</td>
<td>86,683,863</td>
<td>-</td>
<td>-</td>
<td>86,683,863</td>
<td>86,659,097</td>
<td></td>
</tr>
<tr>
<td>Program expenses from legal services</td>
<td>(86,683,863)</td>
<td>-</td>
<td>-</td>
<td>(86,683,863)</td>
<td>(86,659,097)</td>
<td></td>
</tr>
<tr>
<td>Total in-kind contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Change in net assets before pension liability adjustment</td>
<td>(3,565,071)</td>
<td>(24,974)</td>
<td>-</td>
<td>(3,590,045)</td>
<td>11,057,414</td>
<td></td>
</tr>
<tr>
<td>Pension and other postretirement-related changes: Other than net periodic costs</td>
<td>14,509,327</td>
<td>-</td>
<td>-</td>
<td>14,509,327</td>
<td>(19,027,193)</td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>10,944,256</td>
<td>(24,974)</td>
<td>-</td>
<td>10,919,282</td>
<td>(7,969,779)</td>
<td></td>
</tr>
<tr>
<td>Net assets (deficiency): Beginning</td>
<td>(53,161,802)</td>
<td>3,640,447</td>
<td>2,066,023</td>
<td>(47,455,332)</td>
<td>(39,485,553)</td>
<td></td>
</tr>
<tr>
<td>Ending</td>
<td>$42,217,546</td>
<td>$3,615,473</td>
<td>$2,066,023</td>
<td>$36,536,050</td>
<td>$47,455,332</td>
<td></td>
</tr>
</tbody>
</table>

See notes to financial statements.
The Legal Aid Society

Statement of Functional Expenses
Year Ended June 30, 2017
(With Summarized Financial Information for the Year Ended June 30, 2016)

<table>
<thead>
<tr>
<th>Program Services</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Defense Practice</td>
<td>Juvenile Rights Practice</td>
</tr>
<tr>
<td>Employee expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional staff salaries</td>
<td>$73,343,784</td>
<td>$21,109,395</td>
</tr>
<tr>
<td>Support staff salaries</td>
<td>18,157,071</td>
<td>5,235,320</td>
</tr>
<tr>
<td>Fringe benefits and other employee costs</td>
<td>43,396,551</td>
<td>12,977,767</td>
</tr>
<tr>
<td>Total employee expenses</td>
<td>134,897,406</td>
<td>39,322,482</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other expenses:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy costs</td>
<td>10,829,771</td>
<td>2,841,945</td>
</tr>
<tr>
<td>Communications</td>
<td>527,011</td>
<td>157,103</td>
</tr>
<tr>
<td>Office operating</td>
<td>718,384</td>
<td>235,122</td>
</tr>
<tr>
<td>Purchases and leases of furniture and equipment</td>
<td>853,824</td>
<td>160,432</td>
</tr>
<tr>
<td>Law books and reference materials</td>
<td>677,917</td>
<td>182,640</td>
</tr>
<tr>
<td>Trial minutes</td>
<td>417,031</td>
<td>190,781</td>
</tr>
<tr>
<td>Cost of investigations and expert witnesses</td>
<td>1,336,592</td>
<td>31,234</td>
</tr>
<tr>
<td>Professional services</td>
<td>76,825</td>
<td>73,872</td>
</tr>
<tr>
<td>Transportation</td>
<td>77,292</td>
<td>76,176</td>
</tr>
<tr>
<td>Insurance</td>
<td>428,689</td>
<td>124,698</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>417,495</td>
<td>138,063</td>
</tr>
<tr>
<td>Other</td>
<td>452,553</td>
<td>113,470</td>
</tr>
<tr>
<td>Total other expenses</td>
<td>17,509,021</td>
<td>4,325,536</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total expenses before contributed legal services and direct expenses related to the benefit</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>152,406,427</td>
<td>147,546,554</td>
</tr>
<tr>
<td>Contributed legal services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Direct expenses related to the benefit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total 2017 expenses</td>
<td>$152,406,427</td>
<td>$147,546,554</td>
</tr>
</tbody>
</table>

| Total 2016 expenses                                                                       | $147,546,554    | $141,098,932    |

See notes to financial statements.
The Legal Aid Society

Statement of Cash Flows
Year Ended June 30, 2017
(with summarized financial information for the year ended June 30, 2016)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$ 10,919,282</td>
<td>$(7,969,779)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of deferred lease incentives</td>
<td>1,553,442</td>
<td>(712,967)</td>
</tr>
<tr>
<td>Amortization of deferred lease obligations</td>
<td>341,492</td>
<td>65,557</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,128,657</td>
<td>974,504</td>
</tr>
<tr>
<td>Realized and unrealized (gain) loss on investments</td>
<td>(300,859)</td>
<td>176,391</td>
</tr>
<tr>
<td>Pension and other postretirement-related changes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other than net periodic costs</td>
<td>(14,509,327)</td>
<td>19,027,193</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in receivables from grants, governmental contracts, and other</td>
<td>(2,792,897)</td>
<td>(6,574,015)</td>
</tr>
<tr>
<td>Increase in deferred charges and other assets</td>
<td>(352,963)</td>
<td>(4,264,015)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued expenses</td>
<td>1,586,873</td>
<td>(568,592)</td>
</tr>
<tr>
<td>Increase in accrued payroll and other employee expenses</td>
<td>8,565,357</td>
<td>718,749</td>
</tr>
<tr>
<td>Increase (decrease) in program advances</td>
<td>176,707</td>
<td>(684,510)</td>
</tr>
<tr>
<td>Increase in accrued postretirement health and benefits cost</td>
<td>4,560,085</td>
<td>2,693,645</td>
</tr>
<tr>
<td>Decrease in pension liability</td>
<td>(81,750)</td>
<td>(2,892,368)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td><strong>10,794,099</strong></td>
<td><strong>(10,207)</strong></td>
</tr>
</tbody>
</table>

Cash flows from investing activities:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of investments</td>
<td>1,141,828</td>
<td>1,376,266</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(1,311,617)</td>
<td>(6,424,379)</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(2,163,534)</td>
<td>(902,991)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(2,333,332)</strong></td>
<td><strong>(5,951,104)</strong></td>
</tr>
</tbody>
</table>

**Net increase (decrease) in cash and cash equivalents** 8,460,776 (5,961,311)

Cash and cash equivalents:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning</td>
<td>24,840,156</td>
<td>30,801,467</td>
</tr>
<tr>
<td>Ending</td>
<td><strong>$ 33,300,932</strong></td>
<td><strong>$ 24,840,156</strong></td>
</tr>
</tbody>
</table>

See notes to financial statements.
The Legal Aid Society

Notes to Financial Statements

Note 1. Organization

The Legal Aid Society (the Society) is a not-for-profit corporation founded in 1876 that provides legal services to the indigent of New York City through a number of operating practices. The Criminal Defense practice, which provides the majority of trial level public defender services in New York City, as well as the Criminal Appeals and Parole Revocation defense programs, are financed through contracts with the City and the State of New York. The Juvenile Rights practice is financed principally through a contract with the Office of Court Administration of the State of New York. The Civil practice relies on contracts with agencies of the City and the State of New York and the federal government, as well as on financial support from the public, including foundations, law firms, corporations and individuals.

Although the Society is not a governmental institution, it receives significant program revenue and other support through government contracts that are entered into on a periodic basis and are cancelable at any time. As a general rule, those contracts provide revenue to cover cash expenses of funded programs.

In its fiscal year ended June 30, 2017 (FY17), the Society had an operating deficit (excess of expenses, other than post-retirement charges, over revenues) of $3.6 million, and an increase in working capital (excess of current assets over current liabilities) of $0.9 million (from $34.3 million at June 30, 2016 to $35.2 million at June 30, 2017). These results include one-time payments totaling $7.6 million to union and nonunion staff, which were driven by collective bargaining with the Association of Legal Aid Attorneys and SEIU Local 1199 (representing certain employees other than attorneys). The Society determined that it was able to make the one-time payments while still maintaining a level of working capital sufficient for its operations. Without the one-time payments, the Society would have had an operating surplus of $4.0 million and an increase in working capital of $8.5 million in FY17.

The Society’s statement of financial position at June 30, 2017, shows cash and cash equivalents of $33.3 million. It also shows a net asset deficiency (excess of total liabilities over total assets) of $36.5 million, an improvement of $10.9 million from June 30, 2016. The net asset deficiency results from the actuarial determinations of (i) the future obligations of the Society to pay postretirement health and benefit costs that incorporate projected short-term trends in healthcare cost increases and (ii) the future benefit obligations under the Society’s frozen defined benefit pension plan which, like many such plans around the country, is underfunded due to market conditions and the current low interest rate environment. On December 14, 2016, the Society’s Board of Directors adopted a plan designed to reduce the net asset deficiency in the Society’s defined benefit pension plan to zero over 15 years.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Society have been prepared on the accrual basis of accounting. In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial statement presentation: The classification of a not-for-profit organization’s net assets and its support and revenue is based on the existence or absence of donor-imposed restrictions. The amounts for each of three classes of net assets - unrestricted, temporarily restricted and permanently restricted - are required to be shown in a statement of financial position and the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The net assets of the Society and changes therein are classified and reported as follows:

Unrestricted: Net assets resulting from contributions and other inflows of assets whose use by the Society is not subject to donor restrictions. Unrestricted amounts may be designated by the board of directors to cover any purposes determined by the Society.
The Legal Aid Society

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Temporarily restricted: Net assets resulting from contributions and other inflows of assets whose use by
the Society is limited by donor-imposed stipulations that either expire by passage of time or can be
fulfilled and removed by actions of the Society pursuant to those stipulations. When such stipulations end
or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently restricted: Net assets resulting from contributions and other inflows of assets whose use
by the Society is limited by donor-imposed stipulations that neither expire by passage of time nor can be
fulfilled or otherwise removed by actions of the Society.

Use of estimates: In preparing financial statements in conformity with accounting principles generally
accepted in the United States of America (U.S. GAAP), management is required to make estimates and
assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent
assets and liabilities at the date of the financial statements and revenue and expenses during the
reported period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of the statement of cash flows, the Society considers all
highly liquid debt instruments purchased within a maturity of three months or less to be cash equivalents,
except for such investments purchased by the Society’s investment managers as part of their long-term
investment strategies.

Collectibility of receivables: All receivables are due for collections within one year.

Investments: Investments in equity and debt securities are stated at their fair values. Investment return is
allocated among unrestricted and temporarily restricted net assets, based on donor restrictions or the
absence thereof. Interest, dividends, and net appreciation (depreciation) in fair value of investments are
included in investment return in the statement of activities.

Fair value: The Society follows Financial Accounting Standards Board (FASB) Accounting Standards
Codification (ASC) 820-10, Fair Value Measurements, which provides a framework for measuring fair
value under generally accepted accounting principles and applies to all financial instruments that are
being measured and reported on a fair value basis. Accordingly, the Society classifies all its investments
as Level 1, Level 2 or Level 3, depending on whether they can be valued by reference to published
market prices.

Property and equipment: Purchases of property and equipment in excess of $10,000 per unit are
capitalized. Depreciation of property and equipment is computed using the straight-line method and
charged to expense over the estimated useful lives of the assets, ranging primarily from three to ten
years. Property and equipment acquired with certain government contract funds are recognized as
expenses pursuant to the terms of the contract in which the government funding source retains ownership
of the property.

Leasehold improvements are amortized over the estimated useful life of the asset or the term of the
lease, whichever is shorter.

Program advances: Program advances represent advances from third parties for services not yet
performed as well as funds received from government agencies in which the funds have been allocated
with the agency’s agreement to cover future expenditures.
Note 2. Summary of Significant Accounting Policies (Continued)

Court awards: Funds are awarded by the courts to the Society in certain non-Legal Aid cases in which there are remaining class action settlement funds. The amount of such awards in any given year cannot be estimated in advance because these awards are dependent on whether there are such residual settlement funds in particular cases and whether the Society is designated as a recipient. Therefore, such revenue is recognized upon receipt.

Revenue and support: Contracts awarded by governmental agencies are recognized as revenue in the unrestricted net asset class as the related services are performed.

The Society records as revenue the following types of contributions when they are received unconditionally, at fair value: cash, promises to give, certain contributed services and gifts of long-lived assets and other assets. Conditional contributions, including cost reimbursement grants, are recognized as support when the conditions on which they depend have been substantially met.

- Contributions and promises to give are recorded as revenue when either cash is received or when donors make an enforceable promise to give. Contributions and promises to give are classified either as unrestricted, temporarily restricted or permanently restricted support, based on the donor’s intent.

- Contributed services provided by attorneys on a pro bono basis are recorded as revenue and expenses at fair value, based on the attorneys’ average billing rates.

A number of individuals have made a contribution of their time to serve on the Society’s board of directors. The value of their contributed time is not reflected in the financial statements.

Tax-exempt status: The Society is qualified as a Section 501(c)(3) tax-exempt organization under Section 501(a) of the Internal Revenue Code (the IRC) and, accordingly, is not subject to federal income taxes. As a not-for-profit organization, the Society is also exempt from New York State and New York City sales and income taxes. The Society has been classified as a publicly supported charitable organization under Section 509(a)(1) of the IRC and qualifies for the maximum charitable contribution deduction for donors.

Management evaluated the Society’s income tax positions and concluded that the Society had taken no uncertain income tax positions that require adjustments or disclosures to the financial statements. Generally, the Society is not subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2014, which is the standard statute of limitations look-back period.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized in the statement of activities. Accordingly, certain costs have been allocated to the programs and supporting services benefitted.

Concentration of credit risk: Financial instruments which potentially subject the Society to a concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Society has cash deposits at financial institutions that exceed the Federal Deposit Insurance Corporation insurance limits. The Society has not experienced any losses on these accounts.

Prior-year summarized comparative information: The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society’s financial statements for the year ended June 30, 2016, from which the summarized information was derived.
Note 2. Summary of Significant Accounting Policies (Continued)

Subsequent events: The Society evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was November 8, 2017 for these financial statements.

Recently issued accounting pronouncements: In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Society has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Society is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB’s improvements to net asset classification requirements and the information presented about a not-for-profit entity’s liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier adoption is permitted. Management has not evaluated the impact of this ASU on the financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (A Consensus of the FASB Emerging Issues Task Force). The amendments in this ASU provide guidance reducing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The ASU will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Earlier adoption is permitted. Management has not evaluated the impact of this ASU on the financial statements.

In March 2017, the FASB issued ASU 2017-07, Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, to improve guidance related to the presentation of defined benefit costs. Under the new guidance, an employer is required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The ASU also provides guidance related to the presentation of the other components of net benefit cost. The ASU is effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted. Management has not evaluated the impact of this ASU on the financial statements.
The Legal Aid Society

Notes to Financial Statements

Note 3. Investments
The fair value of the Society’s endowment and other investments consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents</td>
<td>$1,013,193</td>
<td>$5,087,429</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>3,675,099</td>
<td>2,923,065</td>
</tr>
<tr>
<td>U.S. fixed income</td>
<td>4,171,048</td>
<td>378,198</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,859,340</strong></td>
<td><strong>$8,388,692</strong></td>
</tr>
</tbody>
</table>

The return (loss) on endowment and other investments shown in the accompanying statement of activities consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$227,654</td>
<td>$87,849</td>
</tr>
<tr>
<td>Realized gain</td>
<td>99,814</td>
<td>46,614</td>
</tr>
<tr>
<td>Unrealized gain (loss)</td>
<td>201,045</td>
<td>(223,114)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(42,016)</td>
<td>(19,825)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$486,497</strong></td>
<td><strong>(108,476)</strong></td>
</tr>
</tbody>
</table>

The Society’s investments at June 30, 2017 and 2016 were held at one financial institution.

Note 4. Fair Value
The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

**Level 1:** Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

**Level 2:** Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

**Level 3:** Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; Level 3 also includes observable inputs for nonbinding single-dealer quotes not corroborated by observable market data.
The Legal Aid Society

Notes to Financial Statements

Note 4. Fair value (Continued)
Investments and commercial paper stated at fair value at June 30 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents</td>
<td>$1,013,193</td>
<td>$5,087,429</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. large-cap equities</td>
<td>1,376,427</td>
<td>944,946</td>
</tr>
<tr>
<td>U.S. mid-cap/small-cap equities</td>
<td>-</td>
<td>189,875</td>
</tr>
<tr>
<td>International equities</td>
<td>1,345,115</td>
<td>919,160</td>
</tr>
<tr>
<td>Core fixed income securities</td>
<td>953,557</td>
<td>869,084</td>
</tr>
<tr>
<td>U.S. fixed income</td>
<td>4,171,048</td>
<td>378,198</td>
</tr>
<tr>
<td>Subtotal - investments</td>
<td>8,859,340</td>
<td>8,388,692</td>
</tr>
<tr>
<td>Commercial paper(a)</td>
<td>22,100,000</td>
<td>11,100,000</td>
</tr>
<tr>
<td></td>
<td>$30,959,340</td>
<td>$19,488,692</td>
</tr>
</tbody>
</table>

(a) Commercial paper is classified as cash equivalent on the statement of financial position.

The Society classifies all its investments as Level 1, except for U.S. fixed income which is classified as Level 2 in the fair value hierarchy.

Mutual funds are valued at the net asset value (NAV) of shares held by the Society at year-end.

U.S. fixed income is valued based on the last reported bid price provided by broker-dealers.

Commercial paper is a short-term unsecured promissory note issued by creditworthy corporations and banks. It earns competitive, market-determined yields/rates and is traded on all major exchanges. The commercial paper was issued by the financial institution at June 30, 2017 and 2016.

Note 5. Contributions
Contributions consisted of the following for each fiscal year:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$10,947,138</td>
<td>$10,672,319</td>
</tr>
<tr>
<td>Benefits and special events</td>
<td>4,006,682</td>
<td>3,157,005</td>
</tr>
<tr>
<td>Bequests</td>
<td>294,869</td>
<td>108,871</td>
</tr>
<tr>
<td></td>
<td>15,248,689</td>
<td>13,938,195</td>
</tr>
<tr>
<td>Less related direct expenses</td>
<td>(431,401)</td>
<td>(326,059)</td>
</tr>
<tr>
<td></td>
<td>$14,815,288</td>
<td>$13,612,136</td>
</tr>
</tbody>
</table>
The Legal Aid Society

Notes to Financial Statements

Note 6. Property and Equipment

Property, equipment and leasehold improvements are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and leasehold improvements</td>
<td>$16,643,049</td>
<td>$15,960,996</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>2,291,270</td>
<td>2,291,270</td>
</tr>
<tr>
<td>Computer and technology</td>
<td>1,545,079</td>
<td>3,915,697</td>
</tr>
<tr>
<td>Mobile outreach van</td>
<td>146,936</td>
<td>146,936</td>
</tr>
<tr>
<td></td>
<td><strong>20,626,334</strong></td>
<td><strong>22,314,899</strong></td>
</tr>
</tbody>
</table>

Less accumulated depreciation and amortization

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>(15,334,158)</strong></td>
<td><strong>(18,057,600)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>5,292,176</strong></td>
<td><strong>4,257,299</strong></td>
</tr>
</tbody>
</table>

Note 7. Commitments

As of June 30, 2017, annual future minimum lease payments, which exclude payments based on pass-through expenses and escalations under non-cancelable operating leases for all of the Society's facilities, are approximately as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$18,100,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>18,900,000</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>19,300,000</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>19,600,000</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>19,900,000</td>
<td></td>
</tr>
<tr>
<td>Thereafter</td>
<td>130,800,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>226,600,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Several leases for office space contain escalation clauses related to the lessor's real estate taxes, utilities and other building operating expenses. During fiscal 2017 and 2016, the Society recognized increased occupancy expenses for additional space taken within several locations. The rental expense was approximately $15,789,000 and $14,010,000 for the years ended June 30, 2017 and 2016, respectively.

The Society received net incentives from certain landlords for the purchase of furniture and equipment and leasehold improvements. Deferred lease incentive balance was $6,515,363 and $4,961,921 as of June 30, 2017 and 2016, respectively, and is included in deferred lease obligations and lease incentives in the accompanying statement of financial position. Deferred lease incentives are being amortized over the term of the respective leases.
The Legal Aid Society

Notes to Financial Statements

Note 8. Temporarily Restricted Net Assets
Temporarily restricted net assets are recorded throughout the course of the year on the statement of activities. Temporarily restricted net assets are available for the following purposes at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Practice</td>
<td>$ 306,502</td>
<td>$ 514,466</td>
</tr>
<tr>
<td>Juvenile Rights Practice</td>
<td>356,755</td>
<td>631,305</td>
</tr>
<tr>
<td>Criminal Defense Practice</td>
<td>810,822</td>
<td>1,013,619</td>
</tr>
<tr>
<td>Endowment interest</td>
<td>1,808,406</td>
<td>1,322,857</td>
</tr>
<tr>
<td>Other</td>
<td>332,988</td>
<td>158,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,615,473</strong></td>
<td><strong>$3,640,447</strong></td>
</tr>
</tbody>
</table>

The total of these net assets released from restriction due to satisfaction of time and purpose restrictions amounted to $3,850,431 and $4,319,897 during the years ended June 30, 2017 and 2016, respectively.

Note 9. Permanently Restricted Net Assets
The Society’s endowment consists of 14 individual funds established for a variety of purposes. The endowments include only donor-restricted endowment funds. The Society’s board of directors interprets the New York law as requiring that the Society classify the original value of gifts donated to the permanent endowment as permanently restricted net assets. Earnings on donor-restricted funds are classified separately as temporarily restricted net assets, until those amounts are appropriated for expenditure by the Society in a manner consistent with its spending policies pursuant to the donor restrictions.

The board of directors has delegated authority to its Finance and Investment Committee to oversee the investment of the endowment assets with the objective of achieving capital growth and income stability. On an annual basis and consistent with its spending policy, the Society decides whether to appropriate endowment funds for expenditure as part of its annual budgeting process. There were no appropriations in the fiscal years ended June 30, 2017 and 2016.

On a quarterly basis, the Finance and Investment Committee monitors the performance of the qualified investment professionals, the performance of the endowment and the objectives for and use of the earnings on the endowment to ensure that these are consistent with the directions of the donors and the mission of the Society. At least once a year, the Finance and Investment Committee reports to the board on these issues.
The Legal Aid Society

Notes to Financial Statements

Note 9.  Permanently Restricted Net Assets (Continued)

Changes in endowment net assets for the fiscal years ended June 30, 2017 and 2016 consist of:

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, at June 30, 2015</td>
<td>$1,450,947</td>
<td>$2,066,023</td>
<td>$3,516,970</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment loss</td>
<td>(128,090)</td>
<td>-</td>
<td>(128,090)</td>
</tr>
<tr>
<td>Total investment return</td>
<td>(128,090)</td>
<td>-</td>
<td>(128,090)</td>
</tr>
<tr>
<td>Endowment net assets, at June 30, 2016</td>
<td>1,322,857</td>
<td>2,066,023</td>
<td>3,388,880</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment loss</td>
<td>485,549</td>
<td>-</td>
<td>485,549</td>
</tr>
<tr>
<td>Total investment loss</td>
<td>485,549</td>
<td>-</td>
<td>485,549</td>
</tr>
<tr>
<td>Endowment net assets, at June 30, 2017</td>
<td>$1,808,406</td>
<td>$2,066,023</td>
<td>$3,874,429</td>
</tr>
</tbody>
</table>

Note 10.  Employee Benefit Plans

All current employees of the Society are covered either by a defined contribution plan or by a multi-employer pension plan. In addition, certain current management and nonunion employees who began their employment with the Society prior to December 1, 2004 are covered by the Society’s retirement plan (the Retirement Plan), a defined benefit plan.

Benefits under the Retirement Plan are generally based upon years of service and the salary of the employee. The assets of the Retirement Plan consist primarily of mutual funds. Effective July 1, 1999, the Society amended its Retirement Plan to include a cash balance feature and a lump-sum option. On November 30, 2004, the Society froze the accumulation of Retirement Plan benefits as part of its financial restructuring. The Retirement Plan was replaced by a defined contribution plan effective December 1, 2004.

Because of the Retirement Plan’s underfunding, the Society made contributions of $2,865,231 and $6,005,844 in fiscal 2017 and 2016, respectively. The Society has developed a Board approved plan for annual funding contributions to eliminate the Retirement Plan’s underfunding over a 15 year period, beginning with FY17.

The Society made contributions to the defined contribution plan for nonunion employees of approximately $2,335,000 and $2,219,000 in fiscal 2017 and 2016, respectively.

Pursuant to a collective bargaining agreement, the Society made contributions related to the Association of Legal Aid Attorneys defined contribution plan, which covers unionized staff attorneys, of $5,621,000 and $5,299,000 in fiscal 2017 and 2016, respectively.

Pursuant to a collective bargaining agreement that covers a number of its employees, the Society made contributions related to the Service Employees International Union, Local 1199 pension fund, which is a national multi-employer pension plan, of approximately $2,658,000 and $2,354,000 in fiscal 2017 and 2016, respectively.
Note 10. Employee Benefit Plans (Continued)

The risks of participating in a multi-employer plan are different from single employer plans in the following respects:

(a) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

(b) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

(c) If the Society stops participating in the multi-employer plan, and continues in business, the Society could be required to pay an amount, referred to as withdrawal liability, based on the unfunded status of the plan.

The legal name of the pension fund is 1199SEIU Health Care Employees Pension Fund. The EIN/Pension Plan Number is 13-3604862/001. The most recent Pension Protection Act (PPA) zone status available in 2016, 2015 and 2014 are for the plan's year-end at December 31, 2016, 2015 and 2014, respectively. For each of these years, the plan's PPA zone status is Green Zone. The zone status is based on information that the Society received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80 percent funded. The funded percentages for these years are 83.7% and 87.5%, respectively. The expiration date of the collective bargaining agreement requiring contributions is September 30, 2018. There is no funding improvement plan or rehabilitation plan that has been implemented or pending.

The Society's participation in the plan for the annual period ended December 31, is outlined in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Employer Contributions</th>
<th>Greater Than 5% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,427,974</td>
<td>No</td>
</tr>
<tr>
<td>2015</td>
<td>1,999,312</td>
<td>No</td>
</tr>
</tbody>
</table>

The Society also has other postretirement benefits plans covering substantially all its employees. The Society funds its postretirement benefits other than pensions on a pay-as-you-go basis. Such benefits consist of medical, dental, and vision premiums.

In addition, the Society accounts for long-term disability benefits in accordance with ASC Topic 712, Nonretirement Postemployment Benefits. The costs recognized for long-term disability premiums in fiscal years 2017 and 2016 amounted to approximately $779,000 and $803,000, respectively. The corresponding costs recognized for the change in the long-term benefit obligation for healthcare in fiscal 2017 and 2016 is $202,000 and ($208,000), respectively.
The Legal Aid Society

Notes to Financial Statements

Note 10. Employee Benefit Plans (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Retirement Plan Benefits</th>
<th>Postretirement Health and Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in benefit obligation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit obligation at beginning of year</td>
<td>$86,158,686</td>
<td>$81,447,069</td>
</tr>
<tr>
<td>Service cost</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest cost</td>
<td>2,866,844</td>
<td>3,302,292</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Termination Benefits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Actuarial (gain) loss</td>
<td>(4,057,414)</td>
<td>6,463,658</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(5,511,347)</td>
<td>(5,054,333)</td>
</tr>
<tr>
<td>Benefit obligation at end of year</td>
<td>79,456,769</td>
<td>86,158,686</td>
</tr>
</tbody>
</table>

| Change in plan assets: | | | | |
| Fair value of plan assets at beginning of year | 56,467,507 | 56,363,967 | - | - |
| Actual return on plan assets | 6,117,733 | (242,923) | - | - |
| Employer contributions | 2,865,231 | 6,005,844 | 772,984 | 622,152 |
| Plan participants’ contributions | - | - | 111,378 | 95,795 |
| Benefits paid | (5,511,347) | (5,054,333) | (884,362) | (717,947) |
| Expenses paid | (949,253) | (605,048) | - | - |
| Fair value of plan assets at end of year | 58,989,871 | 56,467,507 | - | - |
| Funded status at end of year | $(20,466,898) | $(29,691,179) | $(47,047,169) | $(47,853,880) |
Note 10. Employee Benefit Plans (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Retirement Plan Benefits</th>
<th>Postretirement Health and Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts recognized as liabilities in the statement of financial position</td>
<td>$(20,466,898)</td>
<td>$(29,691,179)</td>
</tr>
<tr>
<td>Amounts recognized as cumulative Changes in pension and other Postretirement costs other than net periodic costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior service cost</td>
<td>$</td>
<td>- $</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>31,068,945</td>
<td>40,211,476</td>
</tr>
<tr>
<td>Net amount recognized</td>
<td>$ 31,068,945</td>
<td>$ 40,211,476</td>
</tr>
<tr>
<td>Components of net benefit cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Components of net periodic benefit cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>$</td>
<td>- $</td>
</tr>
<tr>
<td>Expense</td>
<td>860,000</td>
<td>680,000</td>
</tr>
<tr>
<td>Interest</td>
<td>2,866,844</td>
<td>3,302,292</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(4,504,037)</td>
<td>(4,119,842)</td>
</tr>
<tr>
<td>Special Termination Benefits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of prior service cost</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of losses</td>
<td>3,560,674</td>
<td>3,251,026</td>
</tr>
<tr>
<td>Net periodic benefit cost</td>
<td>2,783,481</td>
<td>3,113,476</td>
</tr>
<tr>
<td>Changes in pension and postretirement costs other than net periodic costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior service credit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net (gain) loss</td>
<td>(9,142,531)</td>
<td>7,500,445</td>
</tr>
<tr>
<td>Net changes in other than periodic cost</td>
<td>(9,142,531)</td>
<td>7,500,445</td>
</tr>
<tr>
<td>Net benefit cost</td>
<td>$(6,359,050)</td>
<td>$ 10,613,921</td>
</tr>
</tbody>
</table>
The Legal Aid Society

Notes to Financial Statements

Note 10. Employee Benefit Plans (Continued)

During fiscal 2017, the mortality table was updated to the MP-2016 Mortality Table to reflect more recent data published by the Society of Actuaries.

Weighted-average assumptions to determine benefit obligations at June 30:

<table>
<thead>
<tr>
<th></th>
<th>Retirement Plan Benefits</th>
<th>Postretirement Health and Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>3.80%</td>
<td>3.45%</td>
</tr>
</tbody>
</table>

Weighted-average assumptions used to determine net periodic benefit cost at June 30:

<table>
<thead>
<tr>
<th></th>
<th>Retirement Plan Benefits</th>
<th>Postretirement Health and Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>3.45%</td>
<td>4.25%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>7.85%</td>
<td>7.65%</td>
</tr>
</tbody>
</table>

The assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. For measurement purposes, the assumed rates for future increases in healthcare, which is based on national trends, is 6.50% in 2018 and was 6.95% in 2017. The 6.50% rate in 2018 is expected to gradually decline to 4.75% in 2024.

The effect of a one-percentage-point change in the healthcare cost trend rate on the year-end postretirement health benefit obligation and total service and interest cost components for the year ended June 30, 2017 is as follows:

<table>
<thead>
<tr>
<th>One-Percentage-Point Decrease</th>
<th>One-Percentage-Point Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-end postretirement health benefit obligation</td>
<td>$ (8,927,000)</td>
</tr>
<tr>
<td>Total of service and interest cost components</td>
<td>(1,009,000)</td>
</tr>
</tbody>
</table>
The Legal Aid Society

Notes to Financial Statements

Note 10. Employee Benefit Plans (Continued)

The following benefit payments which reflect expected future service, as appropriate, are expected to be paid as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th>Retirement Plan Benefits</th>
<th>Postretirement Health Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 6,825,667</td>
<td>$ 852,000</td>
</tr>
<tr>
<td>2019</td>
<td>6,201,517</td>
<td>938,000</td>
</tr>
<tr>
<td>2020</td>
<td>6,402,384</td>
<td>956,000</td>
</tr>
<tr>
<td>2021</td>
<td>5,954,850</td>
<td>1,057,000</td>
</tr>
<tr>
<td>2022</td>
<td>5,844,137</td>
<td>1,163,000</td>
</tr>
<tr>
<td>2023 - 2027</td>
<td>26,597,212</td>
<td>7,609,000</td>
</tr>
</tbody>
</table>

The Society has adopted a policy for the investment of the assets of the Retirement Plan, which is administered by, and may be altered by, the Retirement and Benefits Committee of the Society’s board of directors. The investment policy has been established to consider both the current and projected financial requirements of the Retirement Plan. The Retirement Plan relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Retirement Plan uses a balanced asset allocation including both equity-based and fixed income investments to achieve its long-term objectives. Those objectives are:

- Maximize return within reasonable and prudent levels of risk of loss of principal.
- Maintain sufficient liquidity to meet benefits payment obligations on a timely basis.

The portfolio approach for the Retirement Plan is to maintain a balance of approximately 60% in equities and 40% in fixed income. Equity securities include investments in mutual funds invested in large-, mid-, and small-cap companies located in the United States and internationally. Fixed income securities are comprised of mutual funds invested in low-risk interest-bearing investments.
The Legal Aid Society

Notes to Financial Statements

Note 10. Employee Benefit Plans (Continued)

The fair value of the Retirement Plan’s investments at June 30, 2017 and 2016 (all of which are Level 1 see Note 2), by asset category, are as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>2017</th>
<th>2016</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents</td>
<td>$ 2,378,223</td>
<td>$ 5,376,443</td>
<td>4.0%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-cap</td>
<td>17,798,720</td>
<td>16,168,847</td>
<td>30.2%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Mid-cap</td>
<td>5,732,936</td>
<td>4,955,831</td>
<td>9.7%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Small-cap</td>
<td>3,528,327</td>
<td>2,802,475</td>
<td>6.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>International</td>
<td>6,466,486</td>
<td>5,802,094</td>
<td>11.0%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>1,912,186</td>
<td>1,861,209</td>
<td>3.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Equity REITs</td>
<td>783,934</td>
<td>823,553</td>
<td>1.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Indexed trust fund</td>
<td>396,549</td>
<td>406,658</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>19,992,510</td>
<td>18,270,397</td>
<td>33.9%</td>
<td>32.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 58,989,871</strong></td>
<td><strong>$ 56,467,507</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Following is a description of the valuation methodologies used for assets measured at fair value.

**Mutual funds**: Valued at the net asset value held by the Retirement Plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes that its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 11. Contingencies

There are a number of pending legal actions against the Society which, in the opinion of management, will not result in material loss to the Society and no amounts have been accrued in the accompanying financial statements for such contingency.

As of June 30, 2017, receivables from grants and governmental contracts include accrued revenue aggregating approximately $2,632,559 from unexecuted and/or unregistered contracts with the state/city of New York Agencies as of November 8, 2017. The ultimate realization of these contracts receivable is subject to the execution of these contracts by New York State and City of New York Agencies. However, management believes that the Society will ultimately collect these amounts as these are amounts due for services performed or expenditures incurred on recurring contracts with the New York State and City of New York Agencies.
Note 11. Contingencies (Continued)

Certain grants and contracts are currently subject to and may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.
The Legal Aid Society serves
In the Courtroom
In the Community
Across the City and
Across the Nation