

Form 8453-EO

Exempt Organization Declaration and Signature for Electronic Filing

OMB No. 1545-1079

For calendar year 2007, or tax year beginning JUL 1, 2007, and ending JUN 30, 2008

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

2007

Department of the Treasury Internal Revenue Service

See instructions.

Name of exempt organization

THE LEGAL AID SOCIETY

Employer identification number

13-5562265

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

Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here [X] b Total revenue, if any (Form 990, line 12) 1b 160113816
2a Form 990-EZ check here [ ] b Total revenue, if any (Form 990-EZ, line 9) 2b
3a Form 1120-POL check here [ ] b Total tax (Form 1120-POL, line 22) 3b
4a Form 990-PF check here [ ] b Tax based on investment income (Form 990-PF, Part VI, line 5) 4b
5a Form 8868 check here [ ] b Balance due (Form 8868, line 3c) 5b

Part II Declaration of Officer

6 [ ] I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

[ ] If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2007 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my Intermediate Service Provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund.

Sign Here [Signature] 15-12-09 Attorney - IN-CHIEF
Signature of officer Steven Banks Date Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernization e-file (MeF) Information for Authorized IRS e-file Providers. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only [Signature] Date 5/12/09 Check if also paid preparer [X] Check if self-employed [ ] ERO's SSN or PTIN F00029738
Firm's name (or yours if self-employed), address, and ZIP code RSM MCGLADREY, INC. EIN 41-1944416
1185 AVENUE OF THE AMERICAS Phone no. 212-372-1000
NEW YORK, NY 10036-2602

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer's Use Only [Signature] Date Check if self-employed [ ] Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code EIN
Phone no.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions. Form 8453-EO (2007)

723061 10-02-07

Form **990**

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

**2007**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2007 calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Termination  
 Amended return  
 Application pending

**C** Name of organization  
**THE LEGAL AID SOCIETY**  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**199 WATER STREET**  
 City or town, state or country, and ZIP + 4  
**NEW YORK, NY 10038**

**D** Employer identification number  
**13-5562265**

**E** Telephone number  
**212-577-3300**

**F** Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**G** Website: **WWW.LEGAL-AID.ORG**

**J** Organization type (check only one)  501(c) ( 3 ) (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **161,392,026.**

**H** and **I** are not applicable to section 527 organizations.  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates **N/A**  
**H(c)** Are all affiliates included? **N/A**  Yes  No (If "No," attach a list.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number **N/A**  
**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	14,173,515.	
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d		
	e	Total (add lines 1a through 1d) (cash \$ 13,772,660. noncash \$ 400,855.)	1e	14,173,515.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	143,302,346.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	737,510.	
	5	Dividends and interest from securities	5		
	6	a Gross rents	6a		
		b Less: rental expenses	6b		
	c Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe _____)	7			
Revenue	8	a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
			855,145.	8a	
	b	Less: cost or other basis and sales expenses	817,485.	8b	
	c	Gain or (loss) (attach schedule)	37,660.	8c	
	d Net gain or (loss). Combine line 8c, columns (A) and (B) <b>STMT 1</b>	8d	37,660.		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 1,414,953. of contributions reported on line 1b)	9a	200,675.		
b	Less: direct expenses other than fundraising expenses	9b	460,725.		
c	Net income or (loss) from special events. Subtract line 9b from line 9a <b>SEE STATEMENT 2</b>	9c	-260,050.		
10	a Gross sales of inventory, less returns and allowances	10a			
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
	11 Other revenue (from Part VII, line 103)	11	2,122,835.		
	12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	160,113,816.		
Expenses	13	Program services (from line 44, column (B))	13	143,571,229.	
	14	Management and general (from line 44, column (C))	14	9,944,987.	
	15	Fundraising (from line 44, column (D))	15	914,811.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17	154,431,027.	
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	5,682,789.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	-23,999,836.	
	20	Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 3</b>	20	-2,264,694.	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	-20,581,741.	

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 • noncash \$ 0 • If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 • noncash \$ 0 • If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	587,947.	556,186.	28,822.	2,939.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	100,095,043.	94,687,586.	4,907,200.	500,257.
27 Pension plan contributions not included on lines 25a, b, and c	20,985,653.	19,862,003.	1,019,749.	103,901.
28 Employee benefits not included on lines 25a - 27	1,919,039.	1,816,287.	93,251.	9,501.
29 Payroll taxes	7,909,231.	7,485,742.	384,330.	39,159.
30 Professional fundraising fees	41,960.			41,960.
31 Accounting fees	114,803.		114,803.	
32 Legal fees	1,676.		1,676.	
33 Supplies	648,407.	465,541.	169,279.	13,587.
34 Telephone	977,683.	874,243.	103,440.	
35 Postage and shipping	265,133.	190,359.	69,218.	5,556.
36 Occupancy	11,477,904.	10,247,011.	1,197,884.	33,009.
37 Equipment rental and maintenance	1,011,485.	898,717.	106,815.	5,953.
38 Printing and publications	228,816.	164,284.	59,737.	4,795.
39 Travel	730,348.	602,473.	124,870.	3,005.
40 Conferences, conventions, and meetings	52,050.	42,937.	8,899.	214.
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	1,798,591.	1,605,710.	187,709.	5,172.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 4	5,585,258.	4,072,150.	1,367,305.	145,803.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	154,431,027.	143,571,229.	9,944,987.	914,811.

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;  
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 5</u>	Program Service Expenses
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
<b>a</b> <u>CRIMINAL DEFENSE PRACTICE - REPRESENTS NYC INDIGENTS IN CRIMINAL CASES IN DEFENSE AND PAROLE REVOCATION IN AN ESTIMATED 236,000 CASES.</u>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	88,530,567.
<b>b</b> <u>JUVENILE RIGHTS PRACTICE - REPRESENTS CHILDREN AND YOUNG ADULTS WHO ARE THE SUBJECT OF ABUSE AND NEGLECT, DELINQUENCY AND OTHER MATTERS IN THE FAMILY COURT IN NEW YORK CITY. AN ESTIMATED 34,000 CASES WERE HANDLED IN THE YEAR.</u>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	28,423,518.
<b>c</b> <u>CIVIL PRACTICE - PROVIDES LEGAL ASSISTANCE TO LOW INCOME NEW YORKERS IN AN ESTIMATED 30,000 CASES.</u>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	26,617,144.
<b>d</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule)	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>f</b> <u>Total of Program Service Expenses</u> (should equal line 44, column (B), Program services) ..... ►	143,571,229.

Form 990 (2007)

**Part IV Balance Sheets** (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing .....	8,183,960.	45	17,124,698.
	46 Savings and temporary cash investments .....		46	
	47 a Accounts receivable .....	47a 10,931,563.		
	b Less: allowance for doubtful accounts .....	47b	47c	10,931,563.
	48 a Pledges receivable .....	48a		
	b Less: allowance for doubtful accounts .....	48b	48c	
	49 Grants receivable .....		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees .....		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....		50b	
	51 a Other notes and loans receivable .....	51a		
	b Less: allowance for doubtful accounts .....	51b	51c	
	52 Inventories for sale or use .....		52	
	53 Prepaid expenses and deferred charges .....	375,768.	53	581,741.
	54 a Investments - publicly-traded securities <b>STMT 8</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV .....	3,113,277.	54a	3,033,170.
	b Investments - other securities .....		54b	
55 a Investments - land, buildings, and equipment: basis .....	55a			
b Less: accumulated depreciation .....	55b	55c		
56 Investments - other .....		56		
57 a Land, buildings, and equipment: basis .....	57a 19,463,169.			
b Less: accumulated depreciation <b>STMT 6</b> .....	57b 11,716,759.	57c	7,746,410.	
58 Other assets, including program-related investments (describe ▶ _____)		58		
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 .....	33,929,081.	59	39,417,582.	
Liabilities	60 Accounts payable and accrued expenses .....	20,362,110.	60	21,485,113.
	61 Grants payable .....		61	
	62 Deferred revenue .....	3,598,636.	62	5,471,103.
	63 Loans from officers, directors, trustees, and key employees .....		63	
	64 a Tax-exempt bond liabilities .....		64a	
	b Mortgages and other notes payable .....		64b	
	65 Other liabilities (describe ▶ <b>SEE STATEMENT 7</b> ) .....	33,968,171.	65	33,043,107.
66 <b>Total liabilities.</b> Add lines 60 through 65 .....	57,928,917.	66	59,999,323.	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted .....	-28,618,836.	67	-24,919,162.
	68 Temporarily restricted .....	2,562,977.	68	2,281,398.
	69 Permanently restricted .....	2,056,023.	69	2,056,023.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds .....		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund .....		71	
	72 Retained earnings, endowment, accumulated income, or other funds .....		72	
73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) .....	-23,999,836.	73	-20,581,741.	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....	33,929,081.	74	39,417,582.	





Part VI Other Information (continued)

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82 b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II.
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 a 501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?
85 b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85 c Dues, assessments, and similar amounts from members
85 d Section 162(e) lobbying and political expenditures
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85 h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12
86 b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders
87 b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)
88 a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?
88 b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)?
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911
89 b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year?
89 c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89 d Enter: Amount of tax on line 89c, above, reimbursed by the organization
89 e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?
89 f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?
89 g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2007
91 a The books are in care of
91 b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

**Part VI Other Information** (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c    
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here   
 and enter the amount of tax-exempt interest received or accrued during the tax year 92  N/A

**Part VII Analysis of Income-Producing Activities** (See the instructions.)

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments .....					
g Fees and contracts from government agencies ...					143,302,346.
94 Membership dues and assessments .....					
95 Interest on savings and temporary cash investments ...			14	737,510.	
96 Dividends and interest from securities .....					
97 Net rental income or (loss) from real estate:					
a debt-financed property .....					
b not debt-financed property .....					
98 Net rental income or (loss) from personal property					
99 Other investment income .....					
100 Gain or (loss) from sales of assets					
other than inventory .....			18	37,660.	
101 Net income or (loss) from special events .....			01	-260,050.	
102 Gross profit or (loss) from sales of inventory .....					
103 Other revenue:					
a <b>COURT AWARDS</b> .....					1,984,446.
b <b>DISABILITY REFUNDS</b> .....			01	117,844.	
c <b>MISC. INCOME</b> .....			01	20,545.	
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E)) .....		0.		653,509.	145,286,792.
105 Total (add line 104, columns (B), (D), and (E)) .....					145,940,301.

**Note:** Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 10

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	----- ----- -----					
b	----- ----- -----					
c	----- ----- -----					
<b>Totals</b>						

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	----- ----- -----					
b	----- ----- -----					
c	----- ----- -----					
<b>Totals</b>						

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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

Please Sign Here

Signature of officer: STEVEN BANKS, ATTORNEY, -IN-CHIEF Date: \_\_\_\_\_

Type or print name and title

---

Paid Preparer's Use Only

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed:  Preparer's SSN or PTIN (See Gen. Inst. X): \_\_\_\_\_

Firm's name (or yours if self-employed), address, and ZIP + 4: **RSM MCGLADREY, INC.  
1185 AVENUE OF THE AMERICAS  
NEW YORK, NY 10036-2602**

EIN: \_\_\_\_\_ Phone no.: **212-372-1000**

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

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information-(See separate instructions.)**  
▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

Name of the organization: **THE LEGAL AID SOCIETY**  
Employer identification number: **13 5562265**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
ALLAN J FOX 199 WATER STREET, NEW YORK, NY 10038	HR DIRECTOR 35.00	196,299.	0.	0.
SEYMOUR W JAMES 199 WATER STREET, NEW YORK, NY 10038	ATTORNEY/CRIMINAL 35.00	175,735.	0.	0.
TAMARA A STECKLER 199 WATER AVENUE, NEW YORK, NY 10038	ATTORNEY/JUVENILE 35.00	170,410.	0.	0.
ADRIENE L HOLDER 199 WATER STREET, NEW YORK, NY 10038	ATTORNEY/CIVIL 35.00	170,410.	0.	0.
IRWIN SHAW 199 WATER STREET, NEW YORK, NY 10038	ATTORNEY/CRIMINAL 35.00	165,008.	0.	0.
Total number of other employees paid over \$50,000 ▶	988			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
MINDSHIFT TECHNOLOGIES 915 BOARDWAY, SUITE 1900, NEW YORK, NY 10010	TECHNOLOGY CONSULTING	985,100.
LEHR 902 BROADWAY, 6TH FLOOR, NEW YORK, NY 10010	CONSTRUCTION CONTRACTORS	913,627.
GREGORY MILLER & COMPANY 33 WEST 82ND STREET, SUITE 2B, NEW YORK, NY 10024	TECHNOLOGY CONSULTING	299,015.
BAKER ROBBINS & COMPANY 1 NORTH DEARBORN STREET, SUITE 625, HOUSTON, TX 7	TECHNOLOGY CONSULTING	265,406.
CORPORATE COUNSELING ASSOCIATES 475 PARK AVENUE SOUTH, 5TH FL., NEW YORK, NY 1001	TRAINING SERVICES	260,075.
Total number of others receiving over \$50,000 for professional services ▶	21	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
OXFORD P.O. BOX 7081, BRIDGEPORT, CT 06001	HEALTH INSURANCE	9700750.
HAGEDORN & COMPANY 11 BROADWAY, 17TH FLOOR, NEW YORK, NY 10004	INSURANCE BROKERAGE	1053703.
RAYANT-DENTAL PROGRAMS P.O. BOX 1738, NEWARK, NJ 07101-1738	DENTAL CONTRACT	982,598.
TRANSITCENTER, INC. P.O. BOX 27457, NEW YORK, NY 10087-7457	TRANSPORTATION	854,321.
FIRST UNUM LIFE INSURANCE COMPANY P.O. BOX 406919, ATLANTA, GA 30384-6919	GROUP INSURANCE	614,663.
Total number of other contractors receiving over \$50,000 for other services ▶	72	

**Part III** Statements About Activities (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ <u>38,213.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-B, LINE I Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	X	
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property? .....		X
b	Lending of money or other extension of credit? .....		X
c	Furnishing of goods, services, or facilities? .....		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? ..... <b>SEE STATEMENT 11</b>	X	
e	Transfer of any part of its income or assets? .....		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) .....		X
b	Did the organization have a section 403(b) annuity plan for its employees? .....	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement .....		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? .....		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g .....		X
b	Did the organization make any taxable distributions under section 4966? ..... N/A		
c	Did the organization make a distribution to a donor, donor advisor, or related person? ..... N/A		
d	Enter the total number of donor advised funds owned at the end of the tax year ..... ▶ N/A		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ..... ▶ N/A		
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ..... ▶ 0.		
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ..... ▶ 0.		

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III-Functionally Integrated       Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					▶

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.  
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	11,573,149.	11,690,157.	18,335,143.	11,724,409.	53,322,858.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	143020065.	132116924.	127923904.	144886996.	547,947,889.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	591,571.	244,393.	59,967.	277,855.	1,173,786.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	296,389.	11,913,590.	SEE STATEMENT 12 18,067,912.	216,870.	30,494,761.
23 Total of lines 15 through 22	155481174.	155965064.	164386926.	157106130.	632,939,294.
24 Line 23 minus line 17	12,461,109.	23,848,140.	36,463,022.	12,219,134.	84,991,405.
25 Enter 1% of line 23	1,554,812.	1,559,651.	1,643,869.	1,571,061.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 1,699,828.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 1,211,292.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 84,991,405.
d Add: Amounts from column (e) for lines: 18 1,173,786. 19 1,211,292. 22 30,494,761. 26b					26d 32,879,839.
e Public support (line 26c minus line 26d total)					26e 52,111,566.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 61.3139%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2006) (2005) (2004) (2003)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2006) (2005) (2004) (2003)					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

**Part V Private School Questionnaire** (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	29	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....	30	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....	31	
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff? .....	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? .....	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges? .....	33a	
b	Admissions policies? .....	33b	
c	Employment of faculty or administrative staff? .....	33c	
d	Scholarships or other financial assistance? .....	33d	
e	Educational policies? .....	33e	
f	Use of facilities? .....	33f	
g	Athletic programs? .....	33g	
h	Other extracurricular activities? .....	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34 a	Does the organization receive any financial aid or assistance from a governmental agency? .....	34a	
b	Has the organization's right to such aid ever been revoked or suspended? .....	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation .....	35	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check  a if the organization belongs to an affiliated group. Check  b if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) .....	37	
38	Total lobbying expenditures (add lines 36 and 37) .....	38	
39	Other exempt purpose expenditures .....	39	
40	Total exempt purpose expenditures (add lines 38 and 39) .....	40	
41	Lobbying nontaxable amount. Enter the amount from the following table -		
	<b>If the amount on line 40 is -</b>		
	<b>The lobbying nontaxable amount is -</b>		
	Not over \$500,000 .....	20% of the amount on line 40 .....	
	Over \$500,000 but not over \$1,000,000 .....	\$100,000 plus 15% of the excess over \$500,000 .....	
	Over \$1,000,000 but not over \$1,500,000 .....	\$175,000 plus 10% of the excess over \$1,000,000 .....	
	Over \$1,500,000 but not over \$17,000,000 .....	\$225,000 plus 5% of the excess over \$1,500,000 .....	
	Over \$17,000,000 .....	\$1,000,000 .....	
41		41	
42	Grassroots nontaxable amount (enter 25% of line 41) .....	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45	Lobbying nontaxable amount .....				0.
46	Lobbying ceiling amount (150% of line 45(e)) .....				0.
47	Total lobbying expenditures .....				0.
48	Grassroots nontaxable amount .....				0.
49	Grassroots ceiling amount (150% of line 48(e)) .....				0.
50	Grassroots lobbying expenditures .....				0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers .....		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.) .....	X		
c Media advertisements .....		X	
d Mailings to members, legislators, or the public .....		X	
e Publications, or published or broadcast statements .....		X	
f Grants to other organizations for lobbying purposes .....		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body .....	X		38,213.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....		X	
i Total lobbying expenditures (Add lines c through h.) .....			38,213.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

SEE STATEMENT 13



**Legal Aid Society**  
**990 Statement Concerning Lobbying Efforts in FY08**

The Legal Aid Society engages in limited lobbying activity in New York State and New York City on issues affecting the Legal Aid Society and the Society's clients, including legal services funding; the judiciary and civil, criminal and family law practice; social services; housing; health; education; child welfare; homelessness; criminal justice; and juvenile rights. All of the Society's lobbying is direct lobbying. We do not engage in any grassroots lobbying. Legal Aid lobbying activity is directed to the administrative, executive and legislative branches of New York State government, and, in New York City, the Mayor's Office and agencies, the Office of Management and Budget, and Members of the City Council and Staff.

The compensation listed below for Steve Banks reflects the total hours he spent on lobbying during FY2008 (July 1, 2007 through June 30, 2008) multiplied by his annual compensation at the Society calculated on an hourly basis. He did not receive any compensation above his annual salary for lobbying work or expenses.

Steven Banks:           \$8,213           NY City and NY State lobbying work

The Society has also engaged a lobbying firm to assist with State lobbying efforts:

Patricia Lynch Associates, 677 Broadway, Suite 1105, Albany, New York 12227. From July 1, 2007 to June 30, 2008, the firm received \$30,000.

In connection with any of its lobbying efforts, The Legal Aid Society does not send general mailings to officials, legislators or the public, and it does not distribute publications or publish or broadcast statements. However, when requested by legislators and their staff, governmental agencies or members of government, the Legal Aid Society does comment on proposed legislation or policy initiatives. The Society also sends letters asking for funding for Society programs, and creates fact sheets about the Society and/or the services the Society provides in order to seek funding for Society programs. These are given to targeted officials or staff and are not "published" or widely distributed.

Has your organization filed IRS Form 5768? No.

Summary of Expenses:	Steve Banks	\$ 8,213.00
	Patricia Lynch Assoc.	\$ <u>30,000.00</u>

<b>Total to Schedule A, Page 2, Part III, Line 1 and Schedule A, Page 6, Part V-B, Line B &amp; G</b>	<b>\$38,213.00</b>
	<b>=====</b>