

**SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.**

Marion, Virginia

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

**December 31, 2019**

With Comparative Totals for 2018

SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.  
Marion, Virginia

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Southwest Virginia Legal Aid Society, Inc.

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

We have audited the accompanying financial statements of Southwest Virginia Legal Aid Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Virginia Legal Aid Society, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

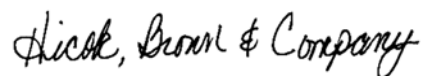
***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The additional supplementary information (Schedule 3) is presented for purposes of additional analysis and is not a required part of the financial statements. We did not audit or apply limited procedures to such information and accordingly we do not express any assurance on such information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020 on our consideration of Southwest Virginia Legal Aid Society, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southwest Virginia Legal Aid Society, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwest Virginia Legal Aid Society, Inc.'s internal control over financial reporting and compliance.



HICOK, BROWN & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
February 28, 2020

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

To the Board of Directors of  
Southwest Virginia Legal Aid Society, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwest Virginia Legal Aid Society, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2020.

**Internal Control over Financial Reporting**

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

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

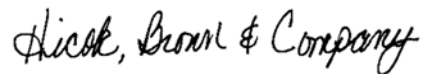
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HICOK, BROWN & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
February 28, 2020

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

To the Board of Directors of  
Southwest Virginia Legal Aid Society, Inc.

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

We have audited Southwest Virginia Legal Aid Society, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwest Virginia Legal Aid Society, Inc.'s major federal programs for the year ended December 31, 2019. Southwest Virginia Legal Aid Society, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Southwest Virginia Legal Aid Society, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southwest Virginia Legal Aid Society, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

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

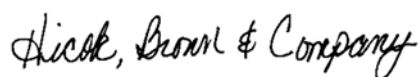
### **Report on Internal Control over Compliance**

Management of Southwest Virginia Legal Aid Society, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwest Virginia Legal Aid Society, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwest Virginia Legal Aid Society, Inc.'s internal control over compliance.

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

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

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



HICOK, BROWN & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
February 28, 2020



Southwest Virginia Legal Aid Society, Inc.  
 STATEMENTS OF FINANCIAL POSITION  
 At December 31, 2019 and December 31, 2018

EXHIBIT 1

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 654,700	\$ 711,311
Cash in escrow - client deposits	702	1,790
Grants receivable	127,262	143,246
Payroll advance	9,919	13,031
TOTAL CURRENT ASSETS	<u>792,583</u>	<u>869,378</u>
LONG-TERM ASSETS:		
Property & equipment	588,272	604,723
Accumulated depreciation	(182,383)	(173,789)
TOTAL LONG-TERM ASSETS	<u>405,889</u>	<u>430,934</u>
TOTAL ASSETS	<u>\$ 1,198,472</u>	<u>\$ 1,300,312</u>
<u>LIABILITIES &amp; NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 21,073	\$ 21,908
Client escrow deposits	702	1,790
Accrued wages	73,824	71,019
Note payable - current	119,124	11,433
TOTAL CURRENT LIABILITIES	<u>214,723</u>	<u>106,150</u>
LONG-TERM LIABILITIES:		
Accrued vacation pay	99,958	107,135
Note payable - net of current	-	268,961
TOTAL LONG-TERM LIABILITIES	<u>99,958</u>	<u>376,096</u>
TOTAL LIABILITIES	<u>314,681</u>	<u>482,246</u>
NET ASSETS:		
Without donor restrictions	<u>117,927</u>	<u>303,285</u>
With donor restrictions:		
Legal Services Corporation grant	-	-
Legal Services Corporation property	114,274	130,504
LSC Technology Initiative grant	56,504	8,492
Non - Legal Services Corporation	595,086	375,785
Total with donor restrictions	<u>765,864</u>	<u>551,460</u>
TOTAL NET ASSETS	<u>883,791</u>	<u>818,066</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,198,472</u>	<u>\$ 1,300,312</u>

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.  
 STATEMENTS OF ACTIVITIES  
 For the year ended December 31, 2019  
 with summarized totals for December 31, 2018

EXHIBIT 2  
 Page 1 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2019 TOTAL	2018 TOTAL
		LSC	NON - LSC	TOTAL		
<b>REVENUES:</b>						
Grant	\$ 49	\$ 941,396	\$ 1,799,586	\$ 2,740,982	\$ 2,741,031	\$ 2,673,992
Interest income	-	2,056	2,413	4,469	4,469	2,193
In-kind	-	55,511	-	55,511	55,511	65,776
Miscellaneous	890	-	-	-	890	13,683
Net assets released from restrictions	2,715,177	(967,181)	(1,747,996)	(2,715,177)	-	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>2,716,116</b>	<b>31,782</b>	<b>54,003</b>	<b>85,785</b>	<b>2,801,901</b>	<b>2,755,644</b>
<b>EXPENSES:</b>						
LSC - General	786,042	-	-	-	786,042	668,713
LSC - Private Attorney Involvement	165,191	-	-	-	165,191	161,416
LSC - Tech Grant	15,948	-	-	-	15,948	21,508
LSC Carryover	-	-	-	-	-	-
LSC of VA - State Funds	1,006,800	-	-	-	1,006,800	998,437
LSC of VA - CORE	76,971	-	-	-	76,971	102,293
VPLC Navigator	16,171	-	-	-	16,171	136,809
VPLC - IPA	-	-	-	-	-	-
DCJS of VA V-STOP	15,062	-	-	-	15,062	15,062
Virginia Domestic Violence	19,834	-	-	-	19,834	64,440
Combined United Way	7,506	-	-	-	7,506	8,916
Department of Justice - LAV	-	-	-	-	-	77,822
Department of Justice - RURAL	65,485	-	-	-	65,485	101,627

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.  
 STATEMENTS OF ACTIVITIES  
 For the year ended December 31, 2019  
 with summarized totals for December 31, 2018

EXHIBIT 2  
 Page 2 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2019 TOTAL	2018 TOTAL
		LSC	NON - LSC	TOTAL		
EXPENSES (continued):						
DCJS of Virginia - VOCA	414,490	-	-	-	414,490	324,652
Conferences	39,138	-	-	-	39,138	36,429
Other funds	107,538	-	-	-	107,538	46,874
TOTAL EXPENSES	2,736,176	-	-	-	2,736,176	2,764,998
OTHER CHANGES IN NET ASSETS	(165,298)	-	165,298	165,298	-	-
TOTAL CHANGES IN NET ASSETS	(185,358)	31,782	219,301	251,083	65,725	(9,354)
BEGINNING NET ASSETS AS ADJUSTED	303,285	138,996	375,785	514,781	818,066	827,420
ENDING NET ASSETS	<u>\$ 117,927</u>	<u>\$ 170,778</u>	<u>\$ 595,086</u>	<u>\$ 765,864</u>	<u>\$ 883,791</u>	<u>\$ 818,066</u>

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 For the year ended December 31, 2019  
 with summarized totals for December 31, 2018

EXHIBIT 3

	PROGRAM SERVICES	SUPPORTING SERVICES		2019 TOTAL	2018 TOTAL
		MANAGEMENT AND GENERAL	FUND- RAISING		
Compensation and related expenses:					
Personnel expenses	\$ 2,047,429	\$ 160,991	\$ 18,107	\$ 2,226,527	\$ 2,222,099
Other expenses:					
Program Expenses	123,177	-	-	123,177	91,768
Professional Fees	15,210	-	-	15,210	78,722
Supplies	34,313	2,552	236	37,101	38,072
Telephone	24,036	1,975	202	26,213	26,740
Postage & Shipping	7,189	490	62	7,741	11,146
Occupancy	78,612	4,606	517	83,735	66,898
Maintenance & Repairs	25,835	2,066	241	28,142	25,747
Equipment Rental	2,656	-	-	2,656	11,917
Conferences, Conventions & Meetings	89,528	-	-	89,528	100,695
Printing & Publications	287	-	-	287	431
Dues & Subscriptions	33,523	-	-	33,523	33,690
Miscellaneous	36,423	862	6	37,291	37,566
Depreciation	23,200	1,645	200	25,045	19,507
Total other expenses	<u>493,989</u>	<u>14,196</u>	<u>1,464</u>	<u>509,649</u>	<u>542,899</u>
Total expenses year ended December 31, TOTAL	<u>\$ 2,541,418</u>	<u>\$ 175,187</u>	<u>\$ 19,571</u>	<u>\$ 2,736,176</u>	
Total expenses year ended December 31, TOTAL	<u>\$ 2,562,885</u>	<u>\$ 119,834</u>	<u>\$ 11,333</u>		<u>\$ 2,764,998</u>

The Notes to Financial Statements are an integral part of this statement.

Southwest Virginia Legal Aid Society, Inc.  
 STATEMENTS OF CASH FLOWS  
 For the years ended December 31, 2019  
 and December 31, 2018

EXHIBIT 4

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 65,725	\$ (9,354)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,045	19,507
(Gain)/Loss on disposal of equipment	-	-
(Gain)/Loss on loan forgiveness	-	-
(Increase) decrease in:		
Grants receivable	15,984	55,050
Payroll advances	3,112	3,379
Increase (Decrease) in:		
Trade accounts payable	(835)	(6,134)
Escrow deposits	(1,088)	(2,108)
Accrued wages	2,805	2,990
Accrued vacation pay	(7,177)	26,329
Net cash provided (used) by Operating Activities	<u>103,571</u>	<u>89,659</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of assets	-	-
Purchase of assets	-	(11,471)
Net cash provided (used) by Investing Activities	<u>-</u>	<u>(11,471)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loan proceeds	-	-
Repayment of loan	(161,270)	(10,851)
Net cash provided (used) by Financing Activities	<u>(161,270)</u>	<u>(10,851)</u>
NET INCREASE (DECREASE) IN CASH	(57,699)	67,337
BEGINNING CASH AND CASH EQUIVALENTS	<u>713,101</u>	<u>645,764</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 655,402</u>	<u>\$ 713,101</u>
 <b><u>SUPPLEMENTAL INFORMATION</u></b>		
Interest paid	<u>\$ 10,434</u>	<u>\$ 10,854</u>

The Notes to Financial Statements are an integral part of this statement.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

The Southwest Virginia Legal Aid Society, Inc. (SVLAS) is a nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in Southwest Virginia.

SVLAS is funded principally through grants from the Legal Services Corporation (LSC) and Legal Services Corporation of Virginia (LSCV), which are nonprofit corporations established by federal and state governments to administer a legal assistance program. SVLAS maintains its books using fund accounting.

### Basis of Accounting

SVLAS uses the accrual method of accounting for financial reporting. Under this method, revenues and expenses are reflected in the accounts in the period in which they are considered to have been earned or incurred.

### Financial Statement Presentation

SVLAS's financial statements are presented in accordance with Financial Accounting Standards Board Codification 958-208 and 958-605. Net assets of SVLAS are reported based on the existence of donor or grantor-imposed restrictions. The following classifications are used to report net assets:

*With donor restrictions* - The part of the net assets of SVLAS resulting (a) from inflows of assets whose use by SVLAS is limited by donor- or grantor-imposed stipulations that either expires by passage of time or can be fulfilled and removed by actions of SVLAS pursuant to those stipulations or (b) from other asset enhancements and diminishments subject to the same kinds of stipulations.

*Without donor restrictions* - The part of net assets of SVLAS that is not restricted by donor- or grantor-imposed stipulations.

SVLAS reports grants of cash and other assets as restricted support if they are received with grantor stipulations that limit the use of the grant assets. When the grantor restriction expires—when a stipulated time restriction ends, or purpose restriction is accomplished—temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In December 2019, the Board designated \$100,000 of net assets without donor restrictions to pay SVLAS's note payable during 2020. SVLAS reports designated net assets as a separate fund column on Schedule 3. On the basic financial statements, SVLAS includes designated net assets as part of net assets without donor restrictions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to SVLAS, the accounts of SVLAS are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with laws and regulations or special restrictions and limitations.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid short-term investments with an initial maturity of three months or less. SVLAS maintains cash accounts with several banks. All amounts on deposit are either covered with FDIC coverage or collateralized by securities.

Property and Equipment

SVLAS capitalizes property and equipment over \$5,000. Lesser amounts are expensed. SVLAS capitalizes purchased property and equipment at cost. SVLAS capitalizes donations of property and equipment as contributions at estimated fair market value. SVLAS depreciates capitalized assets using the straight-line method.

Grants and Contracts

SVLAS receives grants and contracts from state and federal agencies, as well as from private organizations, to be used for specific purposes. Any excess of cash receipts over reimbursable expenditures is included in net assets for that fund.

Donated Services and Materials

SVLAS reports gifts of land, buildings, and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. SVLAS reports gifts of long-lived assets with explicit restrictions as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, SVLAS reports expirations of donor restrictions starting in the year the asset is placed in service.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Actual results could differ.

Income Taxes

SVLAS is a non-profit corporation generally exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. Also, SVLAS' unrelated business income is exempt generally under Sections 511-515 of the Internal Revenue Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Financial Information

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

Subsequent Events

Subsequent events have been evaluated as of February 28, 2020, which is the date the financial statements were available to be issued.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers. ASU 2013-03 clarified revenue recognition principles to depict the transfer of goods or services in amounts that reflect the consideration the Organization expects to receive in exchange for those good or services. In August 2015, the FASB issued Accounting Standards Update 2015-14 that defers the effective date of ASU 2014-09 by one year. SVLAS implemented this update in its financial statements for the year ended December 31, 2019. It did not have a significant impact.

In January 2016, the FASB issued Accounting Standards Update 2016-01, Financial Instruments: Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 requires certain investments to be measured at fair value and changes the impairment assessment approach for those investments. The ASU is effective for fiscal years beginning after December 15, 2018. SVLAS implemented this update in its financial statements for the year ended December 31, 2019. It did not have a significant impact.

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases, which requires recognition of lease assets and lease liabilities. The ASU is effective for years beginning after December 15, 2019. It is not expected to have a significant impact on the Organization's financial statements.

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows: Restricted Cash, which changes the presentation of cash, cash equivalents, and restricted cash on the statement of cash flows. The ASU is effective for fiscal years beginning after December 15, 2018. SVLAS implemented this update in its financial statements for the year ended December 31, 2019. It did not have a significant impact.

In June 2018, the FASB issued Accounting Standards Update 2018-08, Not-for-Profit Entities, which clarifies guidance on whether a transfer of assets is a contribution or an exchange transaction. The ASU is effective for years beginning after December 15, 2019. It is not expected to have a significant impact on the Organization's financial statements.



NOTE 2 – PENSION PLAN

The retirement plan is a defined contribution, simplified employee pension plan under Section 403(b) of the Internal Revenue Code. Determined on an annual basis at the discretion of the Board of Directors, SVLAS may contribute a percentage of each employee’s gross salary as an employer contribution. Employer matching contributions are not allowed under the Plan. All employees are eligible to participate and may make voluntary contributions up to the annual limits as described in the Summary Plan Description. Contributions to the plan by both staff and SVLAS are paid to a trustee, Mutual of American Life Insurance Company. Participants are immediately vested in their contributions and are responsible for making the investment decisions for their individual account. SVLAS contributed \$94,636 and \$82,157 for the year ended December 31, 2019 and 2018, respectively.

NOTE 3 – CONTRIBUTED SERVICES

Southwest Virginia Legal Aid Society Inc. recognizes donated services that meet the criteria for recognition under FASB ASC 958-205 *Accounting for Contributions Received and Contributions Made*. Contributed services during the year were from attorneys for pro bono cases. Total contributed income for services was \$55,511 and \$65,776 for the year ended December 31, 2019 and 2018, respectively.

NOTE 4 – PRIVATE ATTORNEY INVOLVEMENT

Pursuant to 45 CFR 1614.2, recipients of Legal Services Corporation (LSC) funding are required to devote at least 12.5% of their total award to the involvement of private attorneys or other professionals in the delivery of legal assistance to eligible clients (“PAI requirement”). SVLAS met this requirement in 2019 and 2018.

NOTE 5 – GRANTS RECEIVABLE

Grants receivable at December 31 consists of the following:

Grants receivable description	2019	2018
Victims of Crime Act (VOCA)	\$ 107,380	\$ 79,757
Project Connect	16,236	-
Department of Justice - Rural	-	29,580
Virginia Domestic Violence Victim Fund	-	16,452
Virginia Health Care Foundation	-	12,664
Other	3,646	4,793
	\$ 127,262	\$ 143,246

Southwest Virginia Legal Aid Society, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2019

NOTE 6 – PROPERTY AND EQUIPMENT

SVLAS records purchased property and equipment at cost. SVLAS records donated property at fair market value at date of donation. SVLAS depreciates capitalized assets using the straight-line method with the following useful lives.

Building.....	40 years
Furniture and Fixtures.....	5-10 years

SVLAS acquired \$0 and disposed \$16,451 in property and equipment for the year ending December 31, 2019. The disposed equipment was fully depreciated. SVLAS reclassified \$13,100 of land which it previously bundled with buildings. Depreciation expense for the year ending December 31, 2019 and 2018 amounted to \$25,045 and \$19,507, respectively.

Property and equipment consist of the following as of December 31:

<u>Property &amp; equipment description</u>	<u>2019</u>	<u>2018</u>
Land	\$ 48,826	\$ 35,726
Buildings	439,435	452,535
Law library	31,956	31,956
Furniture & fixtures	<u>68,055</u>	<u>84,506</u>
Total property & equipment	588,272	604,723
Less: accumulated depreciation	<u>(182,383)</u>	<u>(173,789)</u>
Net property & equipment	<u>\$ 405,889</u>	<u>\$ 430,934</u>

NOTE 7 – NOTE PAYABLE

Long-term debt consists of the following at December 31:

<u>Note description</u>	<u>2019</u>	<u>2018</u>
\$350,000 installment loan with BB&T issued 10/20/2011 for the purchase of the Marion office building. Interest is payable at 3.74%. Note amortized over 25 years. Refinanced on 10/02/2017 and due in full on 10/20/2020. Monthly payments of principal and interest of \$1,809.	\$ 119,124	\$ 280,394
Less: current maturities	<u>(119,124)</u>	<u>(11,433)</u>
Total long-term debt	<u>\$ -</u>	<u>\$ 268,961</u>

Southwest Virginia Legal Aid Society, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE 7 – NOTE PAYABLE (CONTINUED)

Maturities of long-term debt are as follows:

Year ended December 31,	<u>Principal</u>	<u>Interest</u>
2020	<u>\$ 119,124</u>	<u>\$ 3,713</u>
Total	<u><u>\$ 119,124</u></u>	<u><u>\$ 3,713</u></u>

Interest expense incurred on the note payable for the year ended December 31, 2019 and 2018 was \$10,434 and \$10,854, respectively.

NOTE 8 – COMPENSATED ABSENCES

Employees of SVLAS are entitled to paid vacation, depending on length of service and other factors. The liability for compensated absences at December 31, 2019 and 2018 was \$99,958 and \$107,135, respectively.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

SVLAS meets cash needs for expenditures with grants received throughout the year. Grants are for specific programs. Some grants, such as LSC and LSCV, cover a portion of general expenditures. The Board has not imposed limits on the use of resources without donor-imposed restrictions except the designated funds mentioned in Note 1. Almost all general expenditures serve grant purposes. Therefore, SVLAS considers all cash and cash equivalents as financial assets available for general expenditure within one year. Available assets were \$654,700 and \$711,311 in 2019 and 2018, respectively. SVLAS considers client deposits, grants receivable, and payroll advances to be restricted for specific purposes and unavailable for general expenditure.

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments under FASB Codification 825-10, *Disclosures About Fair Value of Financial Instruments*, as amended by FASB Codification 820-10, are determined based on relevant market information. These estimates involve uncertainty and cannot be determined with precision. The following methods and assumptions are used to estimate the fair value of each class of financial instrument.

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amounts of cash, receivables, accrued liabilities, and payables on the statement of financial position approximate fair value due to short-term nature of these items. The carrying amounts of accrued vacation and notes payable on the statement of financial position approximate fair value, which is estimated based on current market rates offered to or by SVLAS for similar instruments.

FASB Codification 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB Codification 820-10 also establishes a fair value hierarchy which requires the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1            Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
  
- Level 2            Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly through corroboration with observable market data.
  
- Level 3            Unobservable inputs used to measure fair value to the extent that observable inputs are not available and that are supported by little or no market activity for the asset or liability at the measurement date.

NOTE 11 – PRIOR PERIOD ADJUSTMENT OF NET ASSETS

In 2017 and 2018, certain Non-LSC grant expenditures should have been released from restrictions. These expenditures were correctly classified on Schedule 4. However, due to calculation error these expenditures incorrectly reduced net assets without donor restrictions on Exhibits 1 and 2. Ending net assets for 2018 have been adjusted as follows:

Net asset description	2018 Ending Net Assets*	2019 Beginning Net Assets	Prior Period Adjustment
Without donor restrictions	\$ 266,606	\$ 303,285	\$ 36,679
With donor restrictions:			
Non - Legal Services Corporation	412,464	375,785	(36,679)
Total	\$ 679,070	\$ 679,070	\$ -

\*As previously reported. Corrected for 2018 comparative data in the financial statements.

SUPPLEMENTARY INFORMATION

Southwest Virginia Legal Aid Society, Inc.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended December 31, 2019

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Revenues Federal	Expenditures	Note
Legal Services Corporation:				
Direct Payments:				
Legal Services Grant	09.447020	* \$ 877,436	\$ 935,003	
Technology Initiative Grant	09.447020	63,960	15,948	
Total Legal Services Corporation		<u>941,396</u>	<u>950,951</u>	
Department of Justice:				
Direct Payments:				
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance	16.589	66,698	65,485	C
Pass Through Payments:				
Violence Against Women	16.588	15,062	15,062	B(3)
Crime Victim Assistance	16.575	380,440	434,324	B(3), D
Total Department of Justice		<u>462,200</u>	<u>514,871</u>	
Department of Health and Human Resources:				
Pass Through Payments:				
Cooperative Agreement to Support Navigators in Federal-facilitated and State Partnership Exchanges	93.332	29,432	16,171	
Total		<u>\$ 1,433,028</u>	<u>\$ 1,481,993</u>	

\* Denotes Major Program

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southwest Virginia Legal Aid Society, Inc. under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Southwest Virginia Legal Aid Society, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Southwest Virginia Legal Aid Society, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) Southwest Virginia Legal Aid Society, Inc. elected to use the 10% de minimis cost rate for certain grants - Violence Against Women (V-Stop) and Crime Victim Assistance (VOCA).

NOTE C - AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

Of the amount shown for this program, \$18,122 was passed through to subrecipients.

NOTE D - VSDVVF FEDERAL FUNDS

Of the amount shown for Crime Victim Assistance, \$16,669 of revenue and \$19,834 of expenses were passed through from the Virginia Sexual & Domestic Violence Victim Fund.

I. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of Auditor’s report issued:	Unmodified
Internal control over financials reporting: Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor’s report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Section 200.516?	No
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Identification of Federal Programs:

<u>CFDA #</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
09.447020	Legal Services Grant

II. FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to report.

III. FEDERAL AWARD FINDINGS

There are no federal award findings or questioned costs to report.

IV. STATUS OF PRIOR AUDIT FINDINGS

There were no prior audit findings.



Southwest Virginia Legal Aid Society, Inc.  
SCHEDULE OF ACTIVITY BY FUND  
For the Year Ended December 31, 2019

	Legal Service Corp.			Legal Service Corp. of VA		Administration on Aging			
	General	Private Attorney Involvement	Technology Initiative Grant	State Funds	CORE Bank of America	District III	AASC	NRV Area on Aging	Mountain Empire Older Citizens
REVENUES:									
Grants	\$ 767,756	\$ 109,680	\$ 63,960	\$ 1,096,540	\$ 90,000	\$ 6,000	\$ 3,500	\$ 4,950	\$ 3,500
Interest income	2,056	-	-	2,413	-	-	-	-	-
In-kind	-	55,511	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>769,812</b>	<b>165,191</b>	<b>63,960</b>	<b>1,098,953</b>	<b>90,000</b>	<b>6,000</b>	<b>3,500</b>	<b>4,950</b>	<b>3,500</b>
EXPENSES:									
Salaries & wages	495,965	43,229	4,055	670,218	44,726	5,444	3,176	4,492	3,176
Payroll taxes	37,763	4,486	298	47,119	4,397	556	324	458	324
Fringe benefits	119,191	14,687	-	146,817	20,139	-	-	-	-
Travel & training	24,933	2,317	361	20,373	1,525	-	-	-	-
Telephone	7,405	890	-	11,446	967	-	-	-	-
Space & occupancy	38,642	2,160	-	36,944	1,554	-	-	-	-
Library up-keep	6,372	661	-	9,929	757	-	-	-	-
Supplies	21,216	2,556	-	35,606	2,419	-	-	-	-
Insurance	5,245	383	-	13,577	487	-	-	-	-
Professional dues	5,054	-	-	7,106	-	-	-	-	-
Professional services	6,804	93,822	11,234	8,378	-	-	-	-	-
Litigation	(1,143)	-	-	(1,734)	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other expense	2,365	-	-	1,021	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>769,812</b>	<b>165,191</b>	<b>15,948</b>	<b>1,006,800</b>	<b>76,971</b>	<b>6,000</b>	<b>3,500</b>	<b>4,950</b>	<b>3,500</b>
REVENUES OVER (UNDER) EXPENSES	-	-	48,012	92,153	13,029	-	-	-	-
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	-	-	-	-	-
Note payable payments	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-
<b>NET OTHER CHANGES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CHANGES IN NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>48,012</b>	<b>92,153</b>	<b>13,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
BEGINNING NET ASSETS	-	-	8,492	287,167	(38,059)	37,302	26,055	15,709	30,723
<b>ENDING NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,504</b>	<b>\$ 379,320</b>	<b>\$ (25,030)</b>	<b>\$ 37,302</b>	<b>\$ 26,055</b>	<b>\$ 15,709</b>	<b>\$ 30,723</b>

Southwest Virginia Legal Aid Society, Inc.  
SCHEDULE OF ACTIVITY BY FUND  
For the Year Ended December 31, 2019

	VA Dept. of Criminal Justice Services					DoJ	Conferences		
	VPLC Navigator	United Way Combined	V-Stop	VSDVVF	VOCA	Rural Domestic Violence	DV	Elder	Bench Bar
REVENUES:									
Grants	\$ 29,432	\$ 7,506	\$ 15,062	\$ 16,669	\$ 363,771	\$ 66,698	\$ 25,039	\$ 15,336	\$ 11,518
Interest income	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>29,432</u>	<u>7,506</u>	<u>15,062</u>	<u>16,669</u>	<u>363,771</u>	<u>66,698</u>	<u>25,039</u>	<u>15,336</u>	<u>11,518</u>
EXPENSES:									
Salaries & wages	9,736	7,506	10,351	15,383	299,831	37,922	-	-	-
Payroll taxes	1,334	-	759	1,223	22,697	2,804	-	-	-
Fringe benefits	2,549	-	2,410	3,228	68,365	6,291	-	-	-
Travel & training	472	-	172	-	2,143	346	16,627	15,067	5,678
Telephone	553	-	252	-	4,180	-	-	-	-
Space & occupancy	1,000	-	259	-	3,176	-	-	-	-
Library up-keep	-	-	177	-	3,023	-	-	-	-
Supplies	527	-	682	-	10,571	-	871	400	395
Insurance	-	-	-	-	132	-	-	-	-
Professional dues	-	-	-	-	345	-	-	-	100
Professional services	-	-	-	-	27	18,122	-	-	-
Litigation	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	<u>16,171</u>	<u>7,506</u>	<u>15,062</u>	<u>19,834</u>	<u>414,490</u>	<u>65,485</u>	<u>17,498</u>	<u>15,467</u>	<u>6,173</u>
REVENUES OVER (UNDER) EXPENSES	13,261	-	-	(3,165)	(50,719)	1,213	7,541	(131)	5,345
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	-	-	-	-	-
Note payable payments	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	4,028
NET OTHER CHANGES	-	-	-	-	-	-	-	-	4,028
TOTAL CHANGES IN NET ASSETS	13,261	-	-	(3,165)	(50,719)	1,213	7,541	(131)	9,373
BEGINNING NET ASSETS	(13,261)	-	-	3,165	(13,568)	(1,213)	6,866	1,011	2,303
ENDING NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,287)</u>	<u>\$ -</u>	<u>\$ 14,407</u>	<u>\$ 880</u>	<u>\$ 11,676</u>

Southwest Virginia Legal Aid Society, Inc.  
SCHEDULE OF ACTIVITY BY FUND  
For the Year Ended December 31, 2019

	Project Connect	Veterans	Black Lung	Without donor restrictions		Property		Total 2019	Total 2018
				Unrestricted	Designated	Non-LSC	LSC		
<b>REVENUES:</b>									
Grants	\$ 41,565	\$ 2,500	\$ -	\$ 49	\$ -	\$ -	\$ -	\$ 2,741,031	\$ 2,673,992
Interest income	-	-	-	-	-	-	-	4,469	2,193
In-kind	-	-	-	-	-	-	-	55,511	65,776
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	890	-	-	-	890	13,683
<b>TOTAL REVENUES</b>	<b>41,565</b>	<b>2,500</b>	<b>-</b>	<b>939</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,801,901</b>	<b>2,755,644</b>
<b>EXPENSES:</b>									
Salaries & wages	34,926	-	-	6,393	-	-	-	1,696,529	1,700,525
Payroll taxes	2,435	-	-	-	-	-	-	126,977	125,084
Fringe benefits	19,344	-	-	-	-	-	-	403,021	396,490
Travel & training	1,866	-	-	-	-	-	-	91,880	102,825
Telephone	520	-	-	-	-	-	-	26,213	26,740
Space & occupancy	-	-	-	-	-	-	-	83,735	66,898
Library up-keep	-	-	-	-	-	-	-	20,919	20,711
Supplies	683	-	-	-	-	-	-	75,926	87,311
Insurance	-	-	-	-	-	-	-	19,824	17,583
Professional dues	-	-	-	-	-	-	-	12,605	12,979
Professional services	-	-	-	-	-	-	-	138,387	170,491
Litigation	-	-	-	806	-	-	-	(2,071)	829
Depreciation	-	-	-	-	-	8,815	16,230	25,045	19,507
Other expense	-	-	-	13,800	-	-	-	17,186	17,025
<b>TOTAL EXPENSES</b>	<b>59,774</b>	<b>-</b>	<b>-</b>	<b>20,999</b>	<b>-</b>	<b>8,815</b>	<b>16,230</b>	<b>2,736,176</b>	<b>2,764,998</b>
<b>REVENUES OVER (UNDER) EXPENSES</b>	<b>(18,209)</b>	<b>2,500</b>	<b>-</b>	<b>(20,060)</b>	<b>-</b>	<b>(8,815)</b>	<b>(16,230)</b>	<b>65,725</b>	<b>(9,354)</b>
<b>OTHER CHANGES IN NET ASSETS:</b>									
Acquisition of property	-	-	-	-	-	-	-	-	-
Note payable payments	-	-	-	(161,270)	-	161,270	-	-	-
Transfer in (out)	-	-	-	(104,028)	100,000	-	-	-	-
<b>NET OTHER CHANGES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(265,298)</b>	<b>100,000</b>	<b>161,270</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CHANGES IN NET ASSETS</b>	<b>(18,209)</b>	<b>2,500</b>	<b>-</b>	<b>(285,358)</b>	<b>100,000</b>	<b>152,455</b>	<b>(16,230)</b>	<b>65,725</b>	<b>(9,354)</b>
<b>BEGINNING NET ASSETS</b>	<b>6,249</b>	<b>-</b>	<b>5,300</b>	<b>303,285</b>	<b>-</b>	<b>20,036</b>	<b>130,504</b>	<b>818,066</b>	<b>827,420</b>
<b>ENDING NET ASSETS</b>	<b>\$ (11,960)</b>	<b>\$ 2,500</b>	<b>\$ 5,300</b>	<b>\$ 17,927</b>	<b>\$ 100,000</b>	<b>\$ 172,491</b>	<b>\$ 114,274</b>	<b>\$ 883,791</b>	<b>\$ 818,066</b>