

SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.

Marion, Virginia

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

December 31, 2021

With Comparative Totals for 2020

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 Audit of the Financial Statements

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southwest Virginia Legal Aid Society, Inc. as of December 31, 2021 and 2020, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Southwest Virginia Legal Aid Society, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwest Virginia Legal Aid Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Southwest Virginia Legal Aid Society, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwest Virginia Legal Aid Society, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

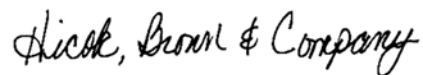
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of activity by fund and 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*, are presented for purposes of additional analysis and are 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 schedule of activity by fund and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022 on our consideration of the 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 the Southwest Virginia Legal Aid Society, Inc.'s internal control over financial reporting and compliance.



HICOK, BROWN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
April 4, 2022

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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, 2021 and 2020, 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 April 4, 2022.

Report on 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) as a basis for designing 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.

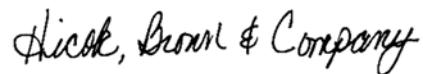
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 financial statements. 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
April 4, 2022

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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

Opinion on 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southwest Virginia Legal Aid Society, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Southwest Virginia Legal Aid Society, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southwest Virginia Legal Aid Society, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southwest Virginia Legal Aid Society, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southwest Virginia Legal Aid Society, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southwest Virginia Legal Aid Society, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southwest Virginia Legal Aid Society, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Southwest Virginia Legal Aid Society, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

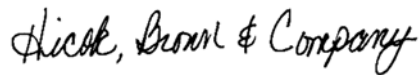
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
April 4, 2022

Southwest Virginia Legal Aid Society, Inc.
 STATEMENTS OF FINANCIAL POSITION
 At December 31, 2021 and December 31, 2020

EXHIBIT 1

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 1,374,753	\$ 1,402,639
Cash in escrow - client deposits	386	1,262
Grants receivable	338,597	194,384
Payroll advance	-	4,307
Prepaid expenses	48,295	-
TOTAL CURRENT ASSETS	1,762,031	1,602,592
LONG-TERM ASSETS:		
Property & equipment	560,538	569,142
Accumulated depreciation	(187,945)	(186,011)
TOTAL LONG-TERM ASSETS	372,593	383,131
TOTAL ASSETS	\$ 2,134,624	\$ 1,985,723
<u>LIABILITIES & NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 35,509	\$ 19,023
Client escrow deposits	386	1,262
Accrued wages	101,882	78,206
TOTAL CURRENT LIABILITIES	137,777	98,491
LONG-TERM LIABILITIES:		
Accrued vacation pay	127,954	122,617
TOTAL LONG-TERM LIABILITIES	127,954	122,617
TOTAL LIABILITIES	265,731	221,108
NET ASSETS:		
Without donor restrictions	46,709	19,978
With donor restrictions:		
Legal Services Corporation grant	75,009	157,629
Legal Services Corporation property	84,832	99,554
Non - Legal Services Corporation	1,662,343	1,487,454
Total with donor restrictions	1,822,184	1,744,637
TOTAL NET ASSETS	1,868,893	1,764,615
TOTAL LIABILITIES & NET ASSETS	\$ 2,134,624	\$ 1,985,723

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, 2021
 with summarized totals for December 31, 2020

EXHIBIT 2
 Page 1 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2021 TOTAL	2020 TOTAL
		LSC	NON - LSC	TOTAL		
REVENUES:						
Grant	\$ -	\$ 981,207	\$ 2,227,911	\$ 3,209,118	\$ 3,209,118	\$ 3,629,553
Interest income	-	138	191	329	329	502
In-kind	-	65,553	-	65,553	65,553	51,150
Miscellaneous	4,303	2,770	122,004	124,774	129,077	3,120
Net assets released from restrictions	3,336,193	(1,147,010)	(2,189,183)	(3,336,193)	-	-
TOTAL REVENUE AND OTHER SUPPORT	3,340,496	(97,342)	160,923	63,581	3,404,077	3,684,325
EXPENSES:						
LSC - General	801,177	-	-	-	801,177	669,849
LSC - Private Attorney Involvement	188,204	-	-	-	188,204	167,229
LSC - 2020 Carryover	157,629	-	-	-	157,629	-
LSC - Tech Grant	-	-	-	-	-	55,161
LSC - Telework Grant	-	-	-	-	-	23,880
LSC - COVID Grant	-	-	-	-	-	85,435
LSC of VA - State Funds	1,079,752	-	-	-	1,079,752	533,852
LSC of VA - Other Funds	164,885	-	-	-	164,885	107,810
VPLC Navigator	-	-	-	-	-	-

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, 2021
 with summarized totals for December 31, 2020

EXHIBIT 2
 Page 2 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2021 TOTAL	2020 TOTAL
		LSC	NON - LSC	TOTAL		
EXPENSES (continued):						
DCJS of VA - V-STOP	15,062	-	-	-	15,062	15,062
DCJS of VA - CESF & ARPA	62,543	-	-	-	62,543	498
DCJS of VA - VOCA	377,779	-	-	-	377,779	596,241
Combined United Way	4,330	-	-	-	4,330	10,623
DoJ - RURAL & LAV	178,015	-	-	-	178,015	30,114
Conferences	15,424	-	-	-	15,424	3,179
Other funds	292,600	-	-	-	292,600	504,568
TOTAL EXPENSES	3,337,400	-	-	-	3,337,400	2,803,501
OTHER CHANGES IN NET ASSETS	(13,966)	-	13,966	13,966	-	-
TOTAL CHANGES IN NET ASSETS	(10,870)	(97,342)	174,889	77,547	66,677	880,824
BEGINNING NET ASSETS						
As stated for year ended 2020	19,978	257,183	1,487,454	1,744,637	1,764,615	883,791
Prior period adjustment	37,601	-	-	-	37,601	-
ENDING NET ASSETS	\$ 46,709	\$ 159,841	\$ 1,662,343	\$ 1,822,184	\$ 1,868,893	\$ 1,764,615

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, 2021
 with summarized totals for December 31, 2020

EXHIBIT 3

	PROGRAM SERVICES	SUPPORTING SERVICES		2021 TOTAL	2020 TOTAL
		MANAGEMENT AND GENERAL	FUND- RAISING		
Compensation and related expenses:					
Personnel expenses	\$ 2,480,830	\$ 159,033	\$ 6,871	\$ 2,646,734	\$ 2,340,961
Other expenses:					
Program Expenses	145,785	-	-	145,785	144,841
Professional Fees	15,782	-	-	15,782	15,399
Supplies	56,496	3,568	114	60,178	39,864
Telephone	32,950	2,120	94	35,164	30,581
Postage & Shipping	11,151	722	8	11,881	8,978
Occupancy	67,927	4,185	204	72,316	73,663
Maintenance & Repairs	164,429	11,957	158	176,544	29,037
Equipment Rental	6,545	-	-	6,545	21,504
Conferences, Conventions & Meetings	38,689	-	-	38,689	19,338
Printing & Publications	18,410	-	-	18,410	874
Dues & Subscriptions	33,488	-	-	33,488	25,333
Depreciation	23,101	1,282	121	24,504	22,758
Miscellaneous	49,914	1,436	30	51,380	30,370
Total other expenses	<u>664,667</u>	<u>25,270</u>	<u>729</u>	<u>690,666</u>	<u>462,540</u>
Total expenses year ended December 31, 2021	<u>\$ 3,145,497</u>	<u>\$ 184,303</u>	<u>\$ 7,600</u>	<u>\$ 3,337,400</u>	
Total expenses year ended December 31, 2020	<u>\$ 2,541,418</u>	<u>\$ 175,187</u>	<u>\$ 19,571</u>		<u>\$ 2,803,501</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, 2021
 and December 31, 2020

EXHIBIT 4

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 66,677	\$ 880,824
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,504	22,758
(Gain)/Loss on disposal of equipment	-	-
(Gain)/Loss on loan forgiveness	-	-
(Increase) Decrease in:		
Grants receivable	(144,213)	(67,122)
Payroll advances	4,307	5,612
Prepaid expenses	(10,694)	-
Increase (Decrease) in:		
Trade accounts payable	16,486	(2,050)
Escrow deposits	(876)	560
Accrued wages	23,676	4,382
Accrued vacation pay	5,337	22,659
Net cash provided (used) by Operating Activities	<u>(14,796)</u>	<u>867,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of assets	-	-
Purchase of assets	(13,966)	-
Net cash provided (used) by Investing Activities	<u>(13,966)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loan	-	(119,124)
Net cash provided (used) by Financing Activities	<u>-</u>	<u>(119,124)</u>
NET INCREASE (DECREASE) IN CASH	(28,762)	748,499
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,403,901</u>	<u>655,402</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 1,375,139</u>	<u>\$ 1,403,901</u>
 <u>SUPPLEMENTAL INFORMATION</u>		
Interest paid	<u>\$ -</u>	<u>\$ 1,566</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' 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Therefore, such information should be read in conjunction with SVLAS' financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events have been evaluated as of April 4, 2022, which is the date the financial statements were available to be issued. Events affecting 2022 are described below.

COVID in the Current Year

In 2021, SVLAS continued providing a full range of legal services to clients. Offices remained closed to the public. Staff continued to work remotely and in-office on a distancing schedule determined by the Managing Attorney of each office or unit.

Going into 2022, offices remain closed to the public. Reopening dates are yet to be determined.

SVLAS received additional one-time funding in CY2021 that was related to the pandemic, such as funds from the American Rescue Plan Act (ARPA) and the Emergency Rental Assistance program. SVLAS may receive additional one-time funds during CY2022 which have yet to be determined.

During 2021 the pandemic did not change internal controls or affect adherence to them. SVLAS does not expect changes or nonadherence during 2022.

Carryover of LSC Funds

Due to the extraordinary and compelling circumstances caused by the COVID-19 Pandemic, SVLAS received pandemic related funding that was time sensitive. SVLAS utilized this time-sensitive COVID funding first, which resulted in LSC ending net assets of \$157,629 as of December 31, 2020.

SVLAS expended these carryover funds in 2021 before expending its 2021 Basic Field Grant. 2021 Basic and 2020 Carryover are reported separately on Schedule 3, Schedule 1, and Exhibit 2. Remaining 2021 funds are within LSC requirements and will be carried over to 2022 in the same manner.

Carryover of LSC of Virginia (LSCV) Funds

Due to the extraordinary and compelling circumstances caused by the COVID-19 Pandemic, and SVLAS' receipt of pandemic related funding that was time sensitive, the SVLAS Board of Directors designated \$500,000 of LSCV funds for future use.

The designation is distinguished as its own fund column on Schedule 3. LSCV's fiscal year begins July 1st and ends June 30th; undesignated ending net assets of \$622,827 will roll over for general use in SVLAS' 2022 calendar year.

American Rescue Plan Act (ARPA) Funds

SVLAS requested and received its full ARPA award of \$32,816 in 2022. Of this amount, \$13,041 was reimbursement for 2021 expenditures and recognized as 2021 revenue. The remainder will be recognized in 2022 as unearned until expended.

SVLAS may receive additional ARPA funds passed through LSCV. Funds would be exclusively for salary increases. The grant is not finalized but may be received in 2022.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest on Lawyer Trust Account (IOLTA) Funds through LSCV

LSCV administers Virginia’s IOLTA program. Attorneys practicing in Virginia must hold pooled client trust accounts in an IOLTA account as of July 1, 2022. IOLTA accounts remit interest earned directly to LSCV. LSCV will then remit those funds to legal aids such as SVLAS. As this is a recent rule change, amount and timing of receipts are not yet known.

Recent Accounting Pronouncements

SVLAS adopted ASU 2014-09 *Revenue from Contract with Customers* in fiscal 2020. There were no effects because SVLAS does not have customers. SVLAS’ revenue is primarily from government grants to provide free legal services. Other revenues support those services or related services.

In February 2016, the FASB issued Accounting Standards Update 2016-02 for Topic 842 *Leases* which requires recognition of lease assets and lease liabilities. The FASB has issued further updates to this topic, the most recent of which in November 2021. SVLAS will implement these updates during the year ended December 31, 2022. FASB requires a “modified retrospective” approach for the earliest period presented. Therefore comparative 2021 in the 2022 financials could also be affected.

Most of SVLAS’ contracts are one-year terms and correctly classified as expenditures. However, there are a few material contracts exceeding one year which could be capitalized with corresponding obligations. SVLAS will carefully review its contracts for proper disclosure in 2022. For 2021, material lease contracts are disclosed in NOTE 7.

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 \$116,581 and \$103,292 for the year ended December 31, 2021 and 2020, 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 \$65,553 and \$51,150 for the year ended December 31, 2021 and 2020, respectively.

Southwest Virginia Legal Aid Society, Inc.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

NOTE 4 – PRIVATE ATTORNEY INVOLVEMENT (PAI)

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. SVLAS met this requirement in 2021 and 2020.

NOTE 5 – GRANTS RECEIVABLE

Grants receivable at December 31 consists of the following:

Grants receivable description	2021	2020
Victims of Crime Act (VOCA)	\$ 119,830	\$ 161,032
LSCV IKEA	61,022	-
Emergency Rental Assistance Program (RRP)	49,789	-
Rural Domestic Violence (RURAL)	49,133	30,114
Violence Against Women (V-STOP)	14,793	-
American Rescue Plan Act (ARPA)	13,041	-
Virginia Law Foundation	10,000	-
Legal Assistance for Victims (LAV)	8,751	-
Grants less than \$5,000 each	7,238	3,238
Rural Health Care Services Outreach (RCORP)	5,000	-
	\$ 338,597	\$ 194,384

NOTE 6 – PROPERTY AND EQUIPMENT

SVLAS capitalizes property and equipment over \$5,000. Purchased property and equipment are recorded at cost. Donated property is recorded at fair market value at date of donation. SVLAS depreciates capitalized assets using the straight-line method and the full-year convention. Buildings are depreciated over 40 years. Building improvements are depreciated from 5 to 40 years. Furniture and fixtures are depreciated from 5 to 10 years.

SVLAS acquired \$13,966 and disposed \$22,570 in property and equipment for the year ending December 31, 2021. The disposed equipment was fully depreciated. Depreciation expense for the year ending December 31, 2021 and 2020 amounted to \$24,504 and \$22,758, respectively.

In 2021, SVLAS disposed LSC assets of \$13,244 and Non-LSC assets of \$9,326. All disposals were fully depreciated computers. SVLAS replaced these computers in 2020 after LSC granted additional funds for laptops and other technology upgrades. Such purchases were under the capitalization threshold and thus expensed in 2020. SVLAS intended to reuse or sell the old computers. However, in 2021 SVLAS determined the computers could not run current operating software and had minimal resale value. Therefore, all old computers were destroyed in 2021.

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 – PROPERTY AND EQUIPMENT (CONTINUED)

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

Property & equipment description	2021		Total 2021	Total 2020
	Non-LSC	LSC		
Land	\$ 35,726	\$ 13,100	\$ 48,826	\$ 153,626
Buildings	335,501	117,900	453,401	334,635
Law library	-	31,956	31,956	31,956
Furniture & fixtures	-	26,355	26,355	48,925
Total property & equipment	371,227	189,311	560,538	569,142
Less: accumulated depreciation	(83,466)	(104,479)	(187,945)	(186,011)
Net property & equipment	\$ 287,761	\$ 84,832	\$ 372,593	\$ 383,131

NOTE 7 – MATERIAL LONG-TERM LEASES

SVLAS has several material long-term contracts. Currently these are recognized as expenses in the period of service. After implementing FASB ASU 2016-02 and related updates in 2022, certain contracts could be capitalized in 2022 and also in the comparative amounts from 2021.

Rental of the Christiansburg office. Original term 60 months beginning March 2020. Remaining term 38 months at December 31, 2021. Monthly installments of \$3,800. SVLAS has the option to renew for an additional term of thirty-six months at \$4,200 and a second renewal of thirty-six months at \$4,700. The lease is cancelable with one month notice.

Cloud hosting of software and backups. Original term 36 months beginning November 2020. Remaining term 22 months at December 31, 2021. Monthly installments of \$901 for selected number of users.

Internet service in Castlewood and Christiansburg. Original term 60 months beginning August 2019. Remaining term 31 months at December 31, 2021. Monthly installments of \$725. Of which Castlewood is \$375 and Christiansburg is \$350.

Internet service in Marion. Original term 36 months beginning September 2019. Remaining term 8 months at December 31, 2021. Monthly installments of \$300. When the contract expires, services will continue on a month-to-month basis at current rates unless terminated.

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, 2021 and 2020 was \$127,954 and \$122,617, 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.

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 \$1,374,753 and \$1,402,639 in 2021 and 2020, respectively. SVLAS considers client deposits, grants receivable, payroll advances, and prepaid expenses to be restricted for specific purposes and unavailable for general expenditure.

NOTE 10 – PRIOR PERIOD ADJUSTMENT TO ESTABLISH PREPAID EXPENSE

SVLAS pays certain expenses in advance of the service period. Most commonly insurance, contract services, and membership fees. In prior years, these prepayments were expensed in order to maintain consistency between years. In 2021, these prepayments were material as a financial statement line item and also material as a difference in expense between years.

To avoid a material understatement of 2021 expenses, SVLAS established the prepaid expense account balance of \$37,601 as a prior period adjustment as of January 1, 2021. This amount represents actual prepayments at December 31, 2020 and all immaterial annual activity from prior years to that date. Comparative totals for 2020 have not been adjusted for this change.

NOTE 11 – 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.

The carrying amounts of cash, receivables, prepaids, 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.

NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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. |

SUPPLEMENTARY INFORMATION

Southwest Virginia Legal Aid Society, Inc.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended December 31, 2021

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Federal Catalog Number	Revenues	Expenditures	Note
Legal Services Corporation:				
Direct Payments:				
Legal Services Grant	09.447020 *	\$ 981,207	\$ 974,659	
Legal Services Carryover	09.447020 *	-	157,629	
<i>Total Legal Services Corporation</i>		<u>981,207</u>	<u>1,132,288</u>	
Department of Justice:				
Direct Payments:				
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance	16.589	169,264	169,264	C
Legal Assistance for Victims	16.524	8,751	8,751	
Pass Through Payments:				
Violence Against Women	16.588	15,062	15,062	B(3)
Crime Victim Assistance	16.575	393,034	377,779	B(3), D
American Rescue Plan Act	21.027	13,041	13,041	
Coronavirus Emergency Supplemental Funding	16.034	49,502	49,502	
<i>Total Department of Justice</i>		<u>648,654</u>	<u>633,399</u>	
Department of the Treasury:				
Pass Through Payments:				
Appalachian Regional Commission	23.002	-	1,374	
Rural Health Care Services Outreach	93.912	10,000	4,249	
Emergency Rental Assistance Program	21.023	124,483	134,034	
<i>Total Department of the Treasury</i>		<u>134,483</u>	<u>139,657</u>	
Total		<u>\$ 1,764,344</u>	<u>\$ 1,905,344</u>	

* Denotes Major Program

Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF ACCOUNTING

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, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Guidance 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, \$32,279 was passed through to subrecipients.

NOTE D - CESF FEDERAL FUNDS

Of the amount shown for Crime Victim Assistance, \$49,502 of revenue and \$49,502 of expenses were passed through from Coronavirus Emergency Supplemental Funding.

I. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of Auditor’s report issued:	Unmodified
Prepared in accordance with GAAP?	Yes
Internal control over financials reporting: Material weaknesses identified?	None reported
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs: Material weaknesses identified?	None reported
Significant deficiencies identified?	None reported
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, 2021

	Legal Service Corp.			Legal Service Corp. of VA				Department of Justice	
	2021 Basic	Private Attorney Involvement	2020 Carryover	State	CORE	IKEA	Designated	LAV	RURAL
REVENUES:									
Grants	\$ 858,556	\$ 122,651	\$ -	\$ 1,188,604	\$ 90,000	\$ 122,043	\$ -	\$ 8,751	\$ 169,264
Interest income	138	-	-	191	-	-	-	-	-
In-kind	-	65,553	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-
Miscellaneous	2,770	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>861,464</u>	<u>188,204</u>	<u>-</u>	<u>1,188,795</u>	<u>90,000</u>	<u>122,043</u>	<u>-</u>	<u>8,751</u>	<u>169,264</u>
EXPENSES:									
Salaries & wages	546,411	57,594	98,769	681,461	56,857	54,228	-	6,602	101,967
Payroll taxes	37,921	4,538	8,183	54,081	4,276	4,018	-	508	7,950
Fringe benefits	91,797	5,481	27,978	154,285	21,513	11,323	-	1,283	21,868
Travel & training	12,911	-	784	18,542	323	611	-	-	826
Telephone	9,023	963	2,138	15,211	1,091	1,163	-	50	879
Space & occupancy	21,988	2,061	5,386	40,406	436	331	-	15	360
Library up-keep	6,810	660	1,260	11,042	763	597	-	44	640
Supplies & contracted services	37,262	2,990	8,862	73,566	3,419	2,710	-	154	2,495
Insurance	8,281	411	-	18,707	504	417	-	86	-
Professional dues	9,830	-	-	725	305	-	-	-	-
Professional services	2,648	113,506	3,958	9,122	-	-	-	10	32,279
Litigation	36	-	-	50	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other expense	1,537	-	311	2,554	-	-	-	(1)	-
TOTAL EXPENSES	<u>786,455</u>	<u>188,204</u>	<u>157,629</u>	<u>1,079,752</u>	<u>89,487</u>	<u>75,398</u>	<u>-</u>	<u>8,751</u>	<u>169,264</u>
REVENUES OVER (UNDER) EXPENSES	75,009	-	(157,629)	109,043	513	46,645	-	-	-
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	75,009	-	(157,629)	109,043	513	46,645	-	-	-
BEGINNING NET ASSETS	-	-	157,629	513,784	(27,637)	45,819	500,000	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-
ENDING NET ASSETS	<u>\$ 75,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 622,827</u>	<u>\$ (27,124)</u>	<u>\$ 92,464</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2021

	Administration on Aging					VA Dept. of Criminal Justice Services			
	District III	AASC	NRV Area on Aging	Mountain Empire Older Citizens	United Way Combined	V-Stop	CESF	VOCA	ARPA
REVENUES:									
Grants	\$ 8,000	\$ 3,500	\$ 4,950	\$ 3,500	\$ 4,330	\$ 15,062	\$ 49,502	\$ 393,034	\$ 13,041
Interest income	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	8,000	3,500	4,950	3,500	4,330	15,062	49,502	393,034	13,041
EXPENSES:									
Salaries & wages	7,190	3,145	4,449	3,145	4,330	10,545	40,355	281,724	10,366
Payroll taxes	810	355	501	355	-	922	2,802	24,338	776
Fringe benefits	-	-	-	-	-	2,222	6,346	53,139	1,740
Travel & training	-	-	-	-	-	246	-	10	-
Telephone	-	-	-	-	-	281	-	3,446	18
Space & occupancy	-	-	-	-	-	126	-	1,194	-
Library up-keep	-	-	-	-	-	181	-	219	-
Supplies & contracted services	-	-	-	-	-	538	-	12,182	141
Insurance	-	-	-	-	-	-	-	1,197	-
Professional dues	-	-	-	-	-	-	-	285	-
Professional services	-	-	-	-	-	-	-	45	-
Litigation	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	1	(1)	-	-
TOTAL EXPENSES	8,000	3,500	4,950	3,500	4,330	15,062	49,502	377,779	13,041
REVENUES OVER (UNDER) EXPENSES	-	-	-	-	-	-	-	15,255	-
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	-	-	-	-	-	-	-	15,255	-
BEGINNING NET ASSETS	37,302	26,055	15,709	30,723	-	-	-	(15,302)	-
Prior period adjustment	-	-	-	-	-	-	-	-	-
ENDING NET ASSETS	\$ 37,302	\$ 26,055	\$ 15,709	\$ 30,723	\$ -	\$ -	\$ -	\$ (47)	\$ -

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2021

	Conferences					RCORP Health Wagon	HOME RRP Housing	Insurance Proceeds	Drug Courts
	Black Lung	DV	Elder	Bench Bar	Veterans				
REVENUES:									
Grants	\$ -	\$ 4,500	\$ -	\$ 6,747	\$ 5,000	\$ 10,000	\$ 124,483	\$ -	\$ 3,600
Interest income	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	102,187	-
TOTAL REVENUES	-	4,500	-	6,747	5,000	10,000	124,483	102,187	3,600
EXPENSES:									
Salaries & wages	-	-	-	-	-	3,077	97,777	-	-
Payroll taxes	-	-	-	-	-	242	8,138	-	-
Fringe benefits	-	-	-	-	-	661	16,392	-	-
Travel & training	-	5,165	4,215	5,575	-	33	1,616	-	-
Telephone	-	-	-	-	-	52	849	-	-
Space & occupancy	-	-	-	-	-	13	-	-	-
Library up-keep	-	-	-	-	-	28	-	-	-
Supplies & contracted services	-	33	-	336	-	142	9,262	-	-
Insurance	-	-	-	-	-	1	-	-	-
Professional dues	-	-	-	100	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	99,009	-
Litigation	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	3,178	-
TOTAL EXPENSES	-	5,198	4,215	6,011	-	4,249	134,034	102,187	-
REVENUES OVER (UNDER) EXPENSES	-	(698)	(4,215)	736	5,000	5,751	(9,551)	-	3,600
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	-	(698)	(4,215)	736	5,000	5,751	(9,551)	-	3,600
BEGINNING NET ASSETS	5,300	14,040	17,697	22,243	7,500	10,644	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-
ENDING NET ASSETS	\$ 5,300	\$ 13,342	\$ 13,482	\$ 22,979	\$ 12,500	\$ 16,395	\$ (9,551)	\$ -	\$ 3,600

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2021

	Outreach	ARC	Without	Property		Total 2021	Total 2020
			donor restrictions Unrestricted	Non-LSC	LSC		
REVENUES:							
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,209,118	\$ 3,629,553
Interest income	-	-	-	-	-	329	502
In-kind	-	-	-	-	-	65,553	51,150
Gain (loss) on disposal of assets	-	-	-	-	-	-	-
Miscellaneous	19,817	-	4,303	-	-	129,077	3,120
TOTAL REVENUES	19,817	-	4,303	-	-	3,404,077	3,684,325
EXPENSES:							
Salaries & wages	-	-	-	-	-	2,069,992	1,798,799
Payroll taxes	-	-	-	-	-	160,714	136,372
Fringe benefits	-	-	-	-	-	416,028	405,788
Travel & training	-	1,374	197	-	-	52,428	19,856
Telephone	-	-	-	-	-	35,164	30,581
Space & occupancy	-	-	-	-	-	72,316	73,663
Library up-keep	-	-	-	-	-	22,244	19,059
Supplies & contracted services	19,817	-	635	-	-	174,544	100,256
Insurance	-	-	-	-	-	29,604	23,731
Professional dues	-	-	-	-	-	11,245	6,275
Professional services	-	-	-	-	-	260,577	160,240
Litigation	-	-	84	-	-	170	314
Depreciation	-	-	-	9,782	14,722	24,504	22,758
Other expense	-	-	291	-	-	7,870	5,809
TOTAL EXPENSES	19,817	1,374	1,207	9,782	14,722	3,337,400	2,803,501
REVENUES OVER (UNDER) EXPENSES	-	(1,374)	3,096	(9,782)	(14,722)	66,677	880,824
OTHER CHANGES IN NET ASSETS:							
Acquisition of property	-	-	(13,966)	13,966	-	-	-
Transfer in (out)	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	(13,966)	13,966	-	-	-
TOTAL CHANGES IN NET ASSETS	-	(1,374)	(10,870)	4,184	(14,722)	66,677	880,824
BEGINNING NET ASSETS	-	-	19,978	283,577	99,554	1,764,615	883,791
Prior period adjustment	-	-	37,601	-	-	37,601	-
ENDING NET ASSETS	\$ -	\$ (1,374)	\$ 46,709	\$ 287,761	\$ 84,832	\$ 1,868,893	\$ 1,764,615