

SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.

Marion, Virginia

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

December 31, 2022

With Comparative Totals for 2021

SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.
Marion, Virginia

AUDITED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

TABLE OF CONTENTS

	<u>Label</u>	<u>Page</u>
<u>AUDITOR'S REPORTS:</u>		
Independent Auditor's Report		1
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 <i>Government Auditing Standards</i>		4
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		6
<u>FINANCIAL STATEMENTS:</u>		
Statements of Financial Position	EXHIBIT 1	9
Statements of Activities	EXHIBIT 2	10
Statements of Functional Expenses	EXHIBIT 3	12
Statements of Cash Flows	EXHIBIT 4	13
Notes to Financial Statements		14
<u>SUPPLEMENTARY INFORMATION:</u>		
Schedule of Expenditures of Federal Awards	SCHEDULE 1	22
Schedule of Findings and Questioned Costs	SCHEDULE 2	24
Schedule of Activity by Fund	SCHEDULE 3	25

Thomas M. Hickok, CPA, CVA, MAFF^{1*}
David B. Brown, CPA
Juan J. Garcia, CPA
Karen L. Jackson, CPA
Michael W. Pennington, CPA
Tracy S. Garcia, CPA, CGMA, CIA¹¹



155 E. Valley Street
P.O. Box 821
Abingdon, Virginia 24212-0821
(276) 628-1123 Fax: (276) 676-3000
e-mail: HBC@firmcpa.com

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, 2022 and 2021, 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, 2022 and 2021, 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.

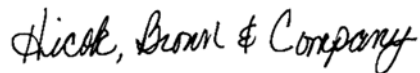
Supplementary Information

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 7, 2023 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 7, 2023

Thomas M. Hickok, CPA, CVA, MAFF^{1*}
David B. Brown, CPA
Juan J. Garcia, CPA
Karen L. Jackson, CPA
Michael W. Pennington, CPA
Tracy S. Garcia, CPA, CGMA, CIA¹¹



155 E. Valley Street
P.O. Box 821
Abingdon, Virginia 24212-0821
(276) 628-1123 Fax: (276) 676-3000
e-mail: HBC@firmcpa.com

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, 2022 and 2021, 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 7, 2023.

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.

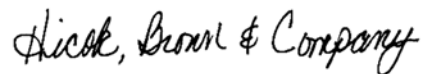
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 7, 2023

Thomas M. Hickok, CPA, CVA, MAFF^{1*}
David B. Brown, CPA
Juan J. Garcia, CPA
Karen L. Jackson, CPA
Michael W. Pennington, CPA
Tracy S. Garcia, CPA, CGMA, CIA¹¹



155 E. Valley Street
P.O. Box 821
Abingdon, Virginia 24212-0821
(276) 628-1123 Fax: (276) 676-3000
e-mail: HBC@firmcpa.com

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, 2022. 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, 2022.

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

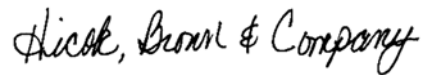
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 7, 2023

Southwest Virginia Legal Aid Society, Inc.
 STATEMENTS OF FINANCIAL POSITION
 At December 31, 2022 and December 31, 2021

EXHIBIT 1

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 1,361,874	\$ 1,374,753
Cash in escrow - client deposits	598	386
Grants receivable	204,872	338,597
Prepaid expenses	53,218	48,295
TOTAL CURRENT ASSETS	<u>1,620,562</u>	<u>1,713,736</u>
LONG-TERM ASSETS:		
Property & equipment	895,247	560,538
Accumulated depreciation	(215,903)	(187,945)
TOTAL LONG-TERM ASSETS	<u>679,344</u>	<u>372,593</u>
TOTAL ASSETS	<u>\$ 2,299,906</u>	<u>\$ 2,134,624</u>
<u>LIABILITIES & NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 60,111	\$ 35,510
Client escrow deposits	598	386
Accrued wages	102,628	101,882
Legal Services Corporation carryover	13,686	75,008
Lease liability - current	22,869	-
TOTAL CURRENT LIABILITIES	<u>199,892</u>	<u>212,786</u>
LONG-TERM LIABILITIES:		
Accrued vacation pay	144,479	127,954
Lease liability - noncurrent	284,574	-
TOTAL LONG-TERM LIABILITIES	<u>429,053</u>	<u>127,954</u>
TOTAL LIABILITIES	<u>628,945</u>	<u>340,740</u>
NET ASSETS:		
Without donor restrictions	<u>52,657</u>	<u>46,709</u>
With donor restrictions:		
Legal Services Corporation property	76,808	84,832
Non - Legal Services Corporation	1,541,496	1,662,343
Total with donor restrictions	<u>1,618,304</u>	<u>1,747,175</u>
TOTAL NET ASSETS	<u>1,670,961</u>	<u>1,793,884</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 2,299,906</u>	<u>\$ 2,134,624</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, 2022
 with summarized totals for December 31, 2021

EXHIBIT 2
 Page 1 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2022 TOTAL	2021 TOTAL
		LSC	NON - LSC	TOTAL		
REVENUES:						
Grant	\$ -	\$ 1,090,543	\$ 2,373,585	\$ 3,464,128	\$ 3,464,128	\$ 3,134,109
Interest income	-	2,015	2,837	4,852	4,852	329
In-kind	-	45,590	-	45,590	45,590	65,553
Miscellaneous	6,452	216	19,235	19,451	25,903	129,077
Net assets released from restrictions	3,662,892	(1,146,388)	(2,516,504)	(3,662,892)	-	-
TOTAL REVENUE AND OTHER SUPPORT	3,669,344	(8,024)	(120,847)	(128,871)	3,540,473	3,329,068
EXPENSES:						
LSC - General	897,137	-	-	-	897,137	801,177
LSC - Private Attorney Involvement	174,243	-	-	-	174,243	188,204
LSC - Carryover	75,008	-	-	-	75,008	157,629
LSC of VA - State Funds	1,327,210	-	-	-	1,327,210	1,079,752
LSC of VA - Other Funds	178,696	-	-	-	178,696	164,885
DCJS of VA - V-STOP	15,062	-	-	-	15,062	15,062
DCJS of VA - VOCA	344,299	-	-	-	344,299	377,779
DCJS of VA - ARPA	19,775	-	-	-	19,775	62,543
DCJS of VA - Trafficking	3,891	-	-	-	3,891	-

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, 2022
 with summarized totals for December 31, 2021

EXHIBIT 2
 Page 2 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2022 TOTAL	2021 TOTAL
		LSC	NON - LSC	TOTAL		
EXPENSES (continued):						
DoJ - RURAL & LAV	332,352	-	-	-	332,352	178,015
Commonwealth of VA Campaign	1,339	-	-	-	1,339	4,330
Conferences	19,346	-	-	-	19,346	15,424
Other funds	275,038	-	-	-	275,038	292,600
TOTAL EXPENSES	3,663,396	-	-	-	3,663,396	3,337,400
OTHER CHANGES IN NET ASSETS	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	5,948	(8,024)	(120,847)	(128,871)	(122,923)	(8,332)
BEGINNING NET ASSETS						
As stated for prior year ended	46,709	84,832	1,662,343	1,747,175	1,793,884	1,764,615
Prior period adjustment	-	-	-	-	-	37,601
ENDING NET ASSETS	\$ 52,657	\$ 76,808	\$ 1,541,496	\$ 1,618,304	\$ 1,670,961	\$ 1,793,884

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, 2022
 with summarized totals for December 31, 2021

EXHIBIT 3

	PROGRAM SERVICES	SUPPORTING SERVICES		2022 TOTAL	2021 TOTAL
		MANAGEMENT AND GENERAL	FUND- RAISING		
Compensation and related expenses:					
Personnel expenses	\$ 2,929,244	\$ 145,644	\$ 6,661	\$ 3,081,549	\$ 2,646,734
Other expenses:					
Program Expenses	174,707	-	-	174,707	145,785
Professional Fees	16,486	-	-	16,486	15,782
Supplies	43,294	2,153	102	45,549	60,178
Telephone	34,890	1,739	80	36,709	35,164
Postage & Shipping	4,921	238	9	5,168	11,881
Occupancy	46,944	3,467	171	50,582	72,316
Maintenance & Repairs	29,403	2,137	98	31,638	176,544
Equipment Rental	-	-	-	-	6,545
Conferences, Conventions & Meetings	72,087	-	-	72,087	38,689
Printing & Publications	-	-	-	-	18,410
Dues & Subscriptions	33,741	-	-	33,741	33,488
Depreciation & Amortization	20,263	1,987	5,708	27,958	24,504
Lease Expense	45,368	1,407	3,930	50,705	-
Miscellaneous	35,267	1,177	73	36,517	51,380
Total other expenses	557,371	14,305	10,171	581,847	690,666
Total expenses year ended December 31, 2022	\$ 3,486,615	\$ 159,949	\$ 16,832	\$ 3,663,396	
Total expenses year ended December 31, 2021	\$ 2,541,418	\$ 175,187	\$ 19,571		\$ 3,337,400

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, 2022
 and December 31, 2021

EXHIBIT 4

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (122,923)	\$ (8,332)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation & amortization	27,958	24,504
Lease expense	50,705	45,600
Payment of lease liability	(45,600)	(45,600)
(Increase) Decrease in:		
Grants receivable	133,725	(144,213)
Payroll advances	-	4,307
Prepaid expenses	(4,923)	(10,694)
Increase (Decrease) in:		
Trade accounts payable	24,601	16,486
Escrow deposits	212	(876)
Accrued wages	746	23,676
Deferred revenue - LSC carryover	(61,322)	75,008
Accrued vacation pay	16,525	5,337
Net cash provided (used) by Operating Activities	<u>19,704</u>	<u>(14,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of assets	<u>(32,371)</u>	<u>(13,966)</u>
Net cash provided (used) by Investing Activities	<u>(32,371)</u>	<u>(13,966)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided (used) by Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(12,667)	(28,763)
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,375,139</u>	<u>1,403,902</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 1,362,472</u>	<u>\$ 1,375,139</u>
<u>SUPPLEMENTAL INFORMATION</u>		
Interest paid	<u>\$ 24,431</u>	<u>\$ -</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, 2021, 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 7, 2023, which is the date the financial statements were available to be issued. Events affecting 2023 are described below.

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. These funds were unexpended at December 31, 2022.

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 \$515,979 will roll over for general use in SVLAS' 2023 calendar year.

American Rescue Plan Act (ARPA) Funds

SVLAS received ARPA funds of \$32,816 passed through from VA Department of Criminal Justice Services (DCJS). Of this amount, \$13,041 was reimbursement for 2021 expenditures and recognized as 2021 revenue. \$19,775 was expended in 2022 and recognized as 2022 revenue.

SVLAS received ARPA funds of \$61,020 passed through from LSCV. \$61,020 was expended in 2022 and recognized as 2022 revenue. SVLAS expects to receive and expend an additional \$61,023 in 2023.

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 is in the process of implementing distribution of IOLTA funds to legal aids such as SVLAS.

Recent Accounting Pronouncements

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, most recently in November 2021. SVLAS implemented these updates as a cumulative-effect adjustment with an application date of January 1, 2022. Therefore, implementation affects the year ended December 31, 2022. The comparative summaries for 2021 are unaffected. SVLAS elected to use the practical expedients specified in ASC 842-10-65-10(f).

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 \$140,117 and \$116,581 for the year ended December 31, 2022 and 2021, respectively.

NOTE 3 – CONTRIBUTED SERVICES

SVLAS 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 \$45,590 and \$65,553 for the year ended December 31, 2022 and 2021, respectively.

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 2022 and 2021.

NOTE 5 – SERVICE CONTRACTS

SVLAS has several long-term service contracts. These contracts are expensed in the period of service. Material long-term service contracts are as follows:

Cloud hosting of software and backup of the SVLAS Client Database. Original term 36 months beginning November 2020. Remaining term 10 months at December 31, 2022. Monthly installments of \$901 for selected number of users.

Internet service in Castlewood and Christiansburg. Original term 60 months beginning August 2019. Remaining term 19 months at December 31, 2022. Monthly installments of \$725. Of which Castlewood is \$375 and Christiansburg is \$350.

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

SVLAS meets cash needs for expenditures with grants received throughout the year. Grant funds are either reimbursements or advances. Receivables reimburse SVLAS cash expended on grant programs; outstanding reimbursements at year-end are reported as grants receivable. Advances provide cash which must be expended on grant programs; outstanding advances at year-end are reported as deferred revenue. Client deposits and prepaid expenses are restricted for specific purposes and unavailable for general expenditure. The Board has not imposed limits on the use of resources without donor-imposed restrictions.

Therefore SVLAS considers the following financial assets to be available to meet cash needs for general expenditures within one year:

Available financial assets	2022	2021
Cash & cash equivalents	\$ 1,361,874	\$ 1,374,753
Add: grants receivable	204,872	338,597
Less: deferred revenue	(13,686)	(75,008)
Total available financial assets	\$ 1,553,060	\$ 1,638,342

NOTE 7 – GRANTS RECEIVABLE

Grants receivable at December 31 consists of the following:

Grants receivable description	2022	2021
Victims of Crime Act (VOCA)	\$ 90,929	\$ 119,830
Rural Domestic Violence (RURAL)	63,284	49,133
Legal Assistance for Victims (LAV)	39,950	8,751
Grants less than \$5,000 each	8,805	7,238
Violence Against Women (V-STOP)	1,904	14,793
LSCV IKEA		61,022
Emergency Rental Assistance Program (RRP)		49,789
American Rescue Plan Act (ARPA)		13,041
Virginia Law Foundation		10,000
Rural Health Care Services Outreach (RCORP)		5,000
Total grants receivable	\$ 204,872	\$ 338,597

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 – 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. Useful lives are determined as follows:

Buildings	40 years
Building improvements	5 – 40 years
Furniture & Fixtures	5 – 10 years
Software	3 – 7 years

SVLAS purchased \$32,371 and disposed \$0 in property and equipment for the year ended December 31, 2022. Depreciation expense for the year ended December 31, 2022 and 2021 amounted to \$25,718 and \$24,504, respectively. Amortization for the year ended December 31, 2022 amounted to \$2,240.

SVLAS recognized operating lease right-of-use asset and operating lease liability of \$328,612 effective January 1, 2022. Operating lease expense of \$50,705 combines asset amortization and lease interest expense. Asset amortization amounted to \$26,274 for the year ended December 31, 2022. Amortization applies directly against asset balance.

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

Property & equipment description	2022		Total 2022	Total 2021
	Non-LSC	LSC		
Land	\$ 35,726	\$ 13,100	\$ 48,826	\$ 48,826
Buildings & improvements	354,157	120,416	474,573	453,401
Right-of-use lease asset	171,970	130,368	302,338	-
Law library	-	31,956	31,956	31,956
Furniture & fixtures	-	26,355	26,355	26,355
Software	6,370	4,829	11,199	-
Total property & equipment	568,223	327,024	895,247	560,538
Less: accumulated depr. & amort.	(98,256)	(117,647)	(215,903)	(187,945)
Net property & equipment	<u>\$ 469,967</u>	<u>\$ 209,377</u>	<u>\$ 679,344</u>	<u>\$ 372,593</u>

NOTE 9 – DEFERRED REVENUE

SVLAS recognizes Legal Services Corporation carryover as deferred revenue because the funds are unexpended and therefore unearned. SVLAS will expend these funds in the next year before expending its Basic Field Grant. Carryover funds were \$13,686 and \$75,008 for the year ended December 31, 2022 and 2021, respectively. Carryover funds recognized as revenue and net assets in 2021 have been changed to deferred revenue in the 2021 comparative financials.

NOTE 10 – LEASE LIABILITY

SVLAS reviews its contracts for embedded leases and identified assets. One operating lease provides right to use an identified asset, as follows:

Rental of the Christiansburg office. Original term 60 months beginning March 2020. Monthly installments of \$3,800. SVLAS has the option to renew for an additional term of 36 months at \$4,200 and a second renewal of 36 months at \$4,700. The lease is cancelable with one month notice. SVLAS plans to continue the lease through both renewals.

On application date January 1, 2022, operating lease liability was determined to be \$328,612. Total term 110 months included the remaining original term and both renewals. Discount rate used was 7.75% based on comparable rates for similar properties.

Operating lease expense of \$50,705 combines asset amortization and lease interest expense. For the year ended December 31, 2022, lease interest amounted to \$24,431 and lease amortization amounted to \$21,169. The weighted-average remaining lease term in months for operating leases is 98 months. The weighted-average discount rate for operating leases is 7.75%.

Maturities of the lease are as follows:

Year	Cash Payments	Lease Principal	Lease Interest	Asset Amort.	Lease Expense
2023	\$ 45,600	\$ 22,869	\$ 22,731	\$ 27,974	\$ 50,705
2024	45,600	24,705	20,895	29,810	50,705
2025	49,600	30,834	18,766	31,939	50,705
2026	50,400	34,172	16,228	34,477	50,705
2027	50,400	36,917	13,483	37,222	50,705
Thereafter	177,600	157,946	19,654	140,916	160,570
Total	<u>\$419,200</u>	<u>\$307,443</u>	<u>\$111,757</u>	<u>\$302,338</u>	<u>\$414,095</u>
Discount	<u>(111,757)</u>				
Total lease	<u>\$307,443</u>				

NOTE 11 – ACCRUED VACATION PAY

Employees of SVLAS are entitled to paid vacation. Employees earn 8.75 hours at the beginning of each month. Employees earn additional hours at the beginning of the year depending on their length of service (8.75 after 3 years, 17.50 after 4 years, 26.25 after 5 years). Employees can accrue a maximum of 225 hours. Once the maximum is reached, additional hours earned are forfeited.

SVLAS liability for accrued vacation pay is calculated as each employee's vacation hours available at December 31 multiplied by their hourly rate. Accrued vacation pay at December 31, 2022 and 2021 was \$144,479 and \$127,954, respectively.

NOTE 12 – 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 the short-term nature of these items. The carrying value of lease liability is outstanding principal at December 31, 2022.

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. |

SUPPLEMENTARY INFORMATION

Southwest Virginia Legal Aid Society, Inc.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended December 31, 2022

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	*	\$ 1,015,535	\$ 1,036,348	
Legal Services Carryover	09.447020	*	75,008	75,008	
<i>Total Legal Services Corporation</i>			<u>1,090,543</u>	<u>1,111,356</u>	
Department of Justice:					
Direct Payments:					
Rural Domestic Violence	16.589		231,176	231,176	B(3), C
Legal Assistance for Victims	16.524		101,176	101,176	B(3), C
Pass Through Payments:					
VA DCJS:					
Violence Against Women	16.588		15,062	15,062	B(3)
Crime Victim Assistance	16.575		344,299	344,299	B(3)
American Rescue Plan Act	21.027		19,775	19,775	B(3)
Services for Trafficking Victims	16.320		3,891	3,891	
LSC of Virginia:					
American Rescue Plan Act	21.027		61,020	61,020	B(3)
<i>Total Department of Justice</i>			<u>776,399</u>	<u>776,399</u>	
Department of the Treasury:					
Pass Through Payments:					
Appalachian Regional Commission:					
Appalachian Area Development	23.002		4,401	3,566	
St. Mary's Health Wagon, Inc.:					
Rural Health Care Services Outreach	93.912		15,000	31,395	
Housing Opportunities Made Equal of VA:					
Emergency Rental Assistance Program	21.023		156,399	146,848	B(3)
<i>Total Department of the Treasury</i>			<u>175,800</u>	<u>181,809</u>	
Total Federal Awards			<u>\$ 2,042,742</u>	<u>\$ 2,069,564</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, 2022. 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 as noted.

NOTE C - AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

Of the amount shown for Rural, \$60,424 was passed through to subrecipients.
Of the amount shown for Legal Assistance, \$30,943 was passed through to subrecipients.

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, 2022

	Legal Service Corp.			Legal Service Corp. of VA					Department of Justice	
	2022 Basic	Private Attorney Involvement	2021 Carryover	State	CORE	IKEA	ARPA	Designated	LAV	RURAL
REVENUES:										
Grants	\$ 886,882	\$ 128,653	\$ 75,008	\$ 1,268,204	\$ 90,000	\$ -	\$ 61,020	\$ -	\$ 101,176	\$ 231,176
Interest income	2,015	-	-	2,837	-	-	-	-	-	-
In-kind	-	45,590	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	216	-	-	284	-	-	-	-	-	-
TOTAL REVENUES	889,113	174,243	75,008	1,271,325	90,000	-	61,020	-	101,176	231,176
EXPENSES:										
Salaries & wages	559,164	68,675	75,008	924,499	37,610	41,520	46,820	-	58,016	113,800
Payroll taxes	50,313	6,077	-	68,321	5,332	2,859	3,224	-	4,236	11,192
Fringe benefits	139,785	7,100	-	201,433	13,125	7,644	8,620	-	5,811	34,662
Travel & training	21,346	1,141	-	24,907	543	226	200	-	-	6,745
Telephone	12,146	1,170	-	16,417	984	426	480	-	389	856
Space & occupancy	22,234	2,447	-	19,578	1,538	464	523	-	427	927
Library up-keep	6,639	715	-	8,962	638	639	-	-	249	542
Supplies & contracted services	27,088	2,972	-	37,211	2,347	998	1,126	-	909	2,028
Insurance	1,911	566	-	11,016	454	24	27	-	196	-
Professional dues	11,595	-	-	1,920	305	-	-	-	-	-
Professional services	7,057	83,380	-	9,316	-	-	-	-	30,943	60,424
Litigation	-	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Other expense	2,827	-	-	3,630	-	-	-	-	-	-
TOTAL EXPENSES	862,105	174,243	75,008	1,327,210	62,876	54,800	61,020	-	101,176	231,176
REVENUES OVER (UNDER) EXPENSES	27,008	-	-	(55,885)	27,124	(54,800)	-	-	-	-
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	(149,042)	-	-	(211,941)	-	-	-	-	-	-
Accrual of operating lease liability	141,697	-	-	186,915	-	-	-	-	-	-
Lease payments	(19,663)	-	-	(25,937)	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	(27,008)	-	-	(50,963)	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	-	-	-	(106,848)	27,124	(54,800)	-	-	-	-
BEGINNING NET ASSETS	-	-	-	622,827	(27,124)	92,464	-	500,000	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
ENDING NET ASSETS	\$ -	\$ -	\$ -	\$ 515,979	\$ -	\$ 37,664	\$ -	\$ 500,000	\$ -	\$ -

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2022

	Administration on Aging				VA Dept. of Criminal Justice Services					
	District III	AASC	NRV Area on Aging	Mountain Empire Older Citizens	CVC	V-Stop	VOCA	ARPA	Trafficking	Black Lung
REVENUES:										
Grants	\$ 8,000	\$ 3,500	\$ 4,950	\$ 3,500	\$ 1,339	\$ 15,062	\$ 344,299	\$ 19,775	\$ 3,891	\$ -
Interest income	-	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	8,000	3,500	4,950	3,500	1,339	15,062	344,299	19,775	3,891	-
EXPENSES:										
Salaries & wages	7,190	3,145	4,449	3,145	1,339	10,507	281,885	15,529	2,759	-
Payroll taxes	810	355	501	355	-	817	21,577	1,140	223	-
Fringe benefits	-	-	-	-	-	2,369	30,495	2,601	594	-
Travel & training	-	-	-	-	-	-	-	-	15	-
Telephone	-	-	-	-	-	279	1,900	146	44	-
Space & occupancy	-	-	-	-	-	275	2,021	-	120	-
Library up-keep	-	-	-	-	-	176	1,207	-	30	-
Supplies & contracted services	167	167	167	167	-	639	4,467	359	106	-
Insurance	-	-	-	-	-	-	655	-	-	-
Professional dues	-	-	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	92	-	-	-
Litigation	-	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	8,167	3,667	5,117	3,667	1,339	15,062	344,299	19,775	3,891	-
REVENUES OVER (UNDER) EXPENSES	(167)	(167)	(167)	(167)	-	-	-	-	-	-
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	-	-	-	-	-	-
Accrual of operating lease liability	-	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	(167)	(167)	(167)	(167)	-	-	-	-	-	-
BEGINNING NET ASSETS	37,302	26,055	15,709	30,723	-	-	(47)	-	-	5,300
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
ENDING NET ASSETS	\$ 37,135	\$ 25,888	\$ 15,542	\$ 30,556	\$ -	\$ -	\$ (47)	\$ -	\$ -	\$ 5,300

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2022

	Conferences				RCORP Health Wagon	HOME RRP Housing	Insurance Proceeds	Drug Courts	Outreach	ARC
	DV	Elder	Bench Bar	Veterans						
REVENUES:										
Grants	\$ 11,584	\$ 14,500	\$ 8,609	\$ -	\$ 15,000	\$ 156,399	\$ -	\$ 7,200	\$ -	\$ 4,401
Interest income	-	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	6,001	-	12,950	-
TOTAL REVENUES	11,584	14,500	8,609	-	15,000	156,399	6,001	7,200	12,950	4,401
EXPENSES:										
Salaries & wages	-	-	-	-	30,994	118,202	-	15,531	-	3,171
Payroll taxes	-	-	-	-	86	9,550	-	-	-	83
Fringe benefits	-	-	-	-	217	16,890	-	-	-	194
Travel & training	3,746	7,068	8,264	-	12	673	-	-	1,451	17
Telephone	-	-	-	-	18	1,437	-	-	-	17
Space & occupancy	-	-	-	-	7	-	-	-	-	21
Library up-keep	-	-	-	-	11	-	-	-	-	11
Supplies & contracted services	168	-	-	-	49	96	-	-	1,089	39
Insurance	-	-	-	-	1	-	-	-	-	13
Professional dues	-	-	100	-	-	-	-	-	-	-
Professional services	-	-	-	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	2,878	-	-	6,208	-	1,319	-
TOTAL EXPENSES	3,914	7,068	8,364	2,878	31,395	146,848	6,208	15,531	3,859	3,566
REVENUES OVER (UNDER) EXPENSES	7,670	7,432	245	(2,878)	(16,395)	9,551	(207)	(8,331)	9,091	835
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	-	-	-	-	-	-
Accrual of operating lease liability	-	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	7,670	7,432	245	(2,878)	(16,395)	9,551	(207)	(8,331)	9,091	835
BEGINNING NET ASSETS	13,342	13,482	22,979	12,500	16,395	(9,551)	-	3,600	-	(1,374)
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
ENDING NET ASSETS	\$ 21,012	\$ 20,914	\$ 23,224	\$ 9,622	\$ -	\$ -	\$ (207)	\$ (4,731)	\$ 9,091	\$ (539)

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2022

	Without	Property		Total	Total
	donor				
	restrictions			2022	2021
	Unrestricted	Non-LSC	LSC		
REVENUES:					
Grants	\$ -	\$ -	\$ -	\$ 3,464,128	\$ 3,134,109
Interest income	-	-	-	4,852	329
In-kind	-	-	-	45,590	65,553
Gain (loss) on disposal of assets	-	-	-	-	-
Miscellaneous	6,452	-	-	25,903	129,077
TOTAL REVENUES	6,452	-	-	3,540,473	3,329,068
EXPENSES:					
Salaries & wages	-	-	-	2,422,958	2,069,992
Payroll taxes	-	-	-	187,051	160,714
Fringe benefits	-	-	-	471,540	416,028
Travel & training	-	-	-	76,354	52,428
Telephone	-	-	-	36,709	35,164
Space & occupancy	-	-	-	50,582	72,316
Library up-keep	-	-	-	19,819	22,244
Supplies & contracted services	-	-	-	82,359	174,544
Insurance	-	-	-	14,863	29,604
Professional dues	-	-	-	13,920	11,245
Professional services	-	-	-	191,212	260,577
Litigation	-	-	-	-	170
Depreciation & amortization	-	14,790	13,168	27,958	24,504
Lease expense	-	28,841	21,864	50,705	-
Other expense	504	-	-	17,366	7,870
TOTAL EXPENSES	504	43,631	35,032	3,663,396	3,337,400
REVENUES OVER (UNDER) EXPENSES	5,948	(43,631)	(35,032)	(122,923)	(8,332)
OTHER CHANGES IN NET ASSETS:					
Acquisition of property	-	211,941	149,042	-	-
Accrual of operating lease liability	-	(186,915)	(141,697)	-	-
Lease payments	-	25,937	19,663	-	-
Transfer in (out)	-	-	-	-	-
NET OTHER CHANGES	-	50,963	27,008	-	-
TOTAL CHANGES IN NET ASSETS	5,948	7,332	(8,024)	(122,923)	(8,332)
BEGINNING NET ASSETS	46,709	287,761	84,832	1,793,884	1,764,615
Prior period adjustment	-	-	-	-	37,601
ENDING NET ASSETS	\$ 52,657	\$ 295,093	\$ 76,808	\$ 1,670,961	\$ 1,793,884