

SOUTHWEST VIRGINIA LEGAL AID SOCIETY, INC.
Marion, Virginia

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

December 31, 2024
With Comparative Totals for 2023

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, 2024 and 2023, 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, 2024 and 2023, 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, as required by Legal Services Corporation (LSC); the schedule of real property with LSC residual interest, as recommended by LSC; and the 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 the 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 16, 2025 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.



HBC Certified Public Accountants
April 16, 2025

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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, 2024 and 2023, 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 16, 2025.

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.

A handwritten signature in blue ink, consisting of the letters 'HBC' in a stylized, cursive-like font.

HBC Certified Public Accountants
April 16, 2025

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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* and *LSC OIG Audit Guide* 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, 2024. 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, 2024.

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.

A handwritten signature in blue ink, consisting of the letters 'HBC' in a stylized, cursive-like font.

HBC Certified Public Accountants
April 16, 2025

Southwest Virginia Legal Aid Society, Inc.
STATEMENTS OF FINANCIAL POSITION
At December 31, 2024 and December 31, 2023

EXHIBIT 1

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 2,256,337	\$ 1,357,957
Cash in escrow - client deposits	64	54
Grants receivable	208,029	233,812
Prepaid expenses	48,405	61,644
TOTAL CURRENT ASSETS	<u>2,512,835</u>	<u>1,653,467</u>
LONG-TERM ASSETS:		
Property & equipment	901,366	895,706
Accumulated depreciation	(257,919)	(236,024)
TOTAL LONG-TERM ASSETS	<u>643,447</u>	<u>659,682</u>
TOTAL ASSETS	<u>\$ 3,156,282</u>	<u>\$ 2,313,149</u>
<u>LIABILITIES & NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 40,498	\$ 93,766
Client escrow deposits	64	54
Accrued wages	91,477	98,792
Deferred revenue - LSC carryover	171,494	49,682
Deferred revenue - advance funding	472,424	-
Lease liability - current	30,834	24,705
TOTAL CURRENT LIABILITIES	<u>806,791</u>	<u>266,999</u>
LONG-TERM LIABILITIES:		
Accrued vacation pay	156,680	136,795
Lease liability - noncurrent	229,035	259,869
TOTAL LONG-TERM LIABILITIES	<u>385,715</u>	<u>396,664</u>
TOTAL LIABILITIES	<u>1,192,506</u>	<u>663,663</u>
NET ASSETS:		
Without donor restrictions	<u>19,380</u>	<u>17,949</u>
With donor restrictions:		
LSC Property	56,697	66,746
Non-LSC	1,887,699	1,564,791
Total with donor restrictions	<u>1,944,396</u>	<u>1,631,537</u>
TOTAL NET ASSETS	<u>1,963,776</u>	<u>1,649,486</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 3,156,282</u>	<u>\$ 2,313,149</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, 2024
with summarized totals for December 31, 2023

EXHIBIT 2
Page 1 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2024 TOTAL	2023 TOTAL
		LSC	NON - LSC	TOTAL		
REVENUES:						
Grant	\$ -	\$ 1,061,878	\$ 2,522,278	\$ 3,584,156	\$ 3,584,156	\$ 3,609,391
Interest income	-	23,658	42,465	66,123	66,123	41,638
In-kind	-	72,948	-	72,948	72,948	60,555
Miscellaneous	3,487	54	12,546	12,600	16,087	15,180
Net assets released from restrictions	3,422,968	(1,168,587)	(2,254,381)	(3,422,968)	-	-
TOTAL REVENUE AND OTHER SUPPORT	3,426,455	(10,049)	322,908	312,859	3,739,314	3,726,764
EXPENSES:						
LSC - General	897,996	-	-	-	897,996	1,031,934
LSC - Private Attorney Involvement	220,909	-	-	-	220,909	205,921
LSC - Carryover	49,682	-	-	-	49,682	13,686
LSC of VA - State Funds	1,571,624	-	-	-	1,571,624	1,337,416
LSC of VA - Other Funds	40,288	-	-	-	40,288	269,697
DCJS of VA - V-STOP	12,955	-	-	-	12,955	15,062
DCJS of VA - VOCA	119,248	-	-	-	119,248	265,944
DoJ - RURAL & LAV	272,052	-	-	-	272,052	489,570
Opioid Abatement Authority	83,831	-	-	-	83,831	-

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, 2024
with summarized totals for December 31, 2023

EXHIBIT 2
Page 2 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2024 TOTAL	2023 TOTAL
		LSC	NON - LSC	TOTAL		
EXPENSES (continued):						
Conferences	22,354	-	-	-	22,354	30,693
Other funds	134,085	-	-	-	134,085	88,316
TOTAL EXPENSES	3,425,024	-	-	-	3,425,024	3,748,239
OTHER CHANGES IN NET ASSETS	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	1,431	(10,049)	322,908	312,859	314,290	(21,475)
BEGINNING NET ASSETS	17,949	66,746	1,564,791	1,631,537	1,649,486	1,670,961
ENDING NET ASSETS	\$ 19,380	\$ 56,697	\$ 1,887,699	\$ 1,944,396	\$ 1,963,776	\$ 1,649,486

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, 2024
with summarized totals for December 31, 2023

EXHIBIT 3

		SUPPORTING SERVICES			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND- RAISING	2024 TOTAL	2023 TOTAL
Compensation and related expenses:					
Personnel expenses	\$ 2,607,395	\$ 161,606	\$ 27,033	\$ 2,796,034	\$ 3,061,281
Other expenses:					
Program Expenses	176,323	-	-	176,323	267,643
Professional Fees	26,851	-	-	26,851	25,329
Supplies	45,206	2,722	305	48,233	38,565
Telephone	30,710	2,057	376	33,143	35,248
Postage & Shipping	5,951	225	28	6,204	10,259
Occupancy	36,468	3,571	652	40,691	34,899
Maintenance & Repairs	35,823	3,177	1,020	40,020	34,366
Conferences, Conventions & Meetings	93,826	-	-	93,826	93,765
Printing & Publications	18,523	-	-	18,523	300
Dues & Subscriptions	36,334	-	-	36,334	38,656
Lease Expense	49,819	790	96	50,705	50,705
Depreciation & Amortization	21,513	341	41	21,895	20,121
Miscellaneous	34,519	1,472	251	36,242	37,102
Total other expenses	<u>611,866</u>	<u>14,355</u>	<u>2,769</u>	<u>628,990</u>	<u>686,958</u>
Total expenses year ended December 31, 2024	<u>\$ 3,219,261</u>	<u>\$ 175,961</u>	<u>\$ 29,802</u>	<u>\$ 3,425,024</u>	
Total expenses year ended December 31, 2023	<u>\$ 3,560,801</u>	<u>\$ 159,942</u>	<u>\$ 27,496</u>		<u>\$ 3,748,239</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, 2024
and December 31, 2023

EXHIBIT 4

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 314,290	\$ (21,475)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation & amortization	21,895	20,121
Lease expense	50,705	50,705
Payment of lease liability	(45,600)	(45,600)
(Increase) Decrease in:		
Grants receivable	25,783	(28,940)
Prepaid expenses	13,239	(8,426)
Increase (Decrease) in:		
Trade accounts payable	(53,268)	33,655
Escrow deposits	10	(544)
Accrued wages	(7,315)	(3,836)
Deferred revenue - LSC carryover	121,812	35,996
Deferred revenue - other grants	472,424	-
Accrued vacation pay	19,885	(7,684)
Net cash provided (used) by Operating Activities	933,860	23,972
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of assets	(35,470)	(28,433)
Net cash provided (used) by Investing Activities	(35,470)	(28,433)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided (used) by Financing Activities	-	-
NET INCREASE (DECREASE) IN CASH	898,390	(4,461)
BEGINNING CASH AND CASH EQUIVALENTS	1,358,011	1,362,472
ENDING CASH AND CASH EQUIVALENTS	\$ 2,256,401	\$ 1,358,011
<u>SUPPLEMENTAL INFORMATION</u>		
Interest paid	\$ 20,895	\$ 22,731

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 by FDIC or invested in U.S. Treasury bills.

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 agencies, federal agencies, and private organizations to be used for specific purposes. Excess of cash receipts over reimbursable expenditures is included in net assets for that grant's fund or recognized as deferred revenue liability depending on the period of performance or other stipulations.

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, 2023, from which the summarized information was derived.

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

FASB issued Accounting Standards Updates did not affect the financial statements or disclosures.

Subsequent Events

Subsequent events have been evaluated as of April 16, 2025, which is the date the financial statements were available to be issued.

Events affecting 2025 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, 2024. 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 \$882,037 will roll over for general use in SVLAS' 2025 calendar year. LSCV IKEA and ACES grants ended permanently on June 30, 2024.

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 accounts which remit interest earned directly to LSCV. LSCV distributes IOLTA funds to legal aids such as SVLAS. Such distributions were higher than anticipated due to continued high interest rates throughout 2024.

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 \$128,277 and \$141,610 for the year ended December 31, 2024 and 2023, respectively.

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 – 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 2024 and 2023.

NOTE 4 – CONTRIBUTED SERVICES

SVLAS recognizes donated services that meet the criteria for recognition under FASB ASC 958-205 *Accounting for Contributions Received and Contributions Made*. Through the PAI program, private attorneys provide professional services pro bono or for reduced fees. SVLAS values private attorney involvement at \$200 per hour, increased during 2024 from \$100. Pro bono cases closed through negotiations, court decisions, or other extensive services are estimated to take 7 hours, increased during 2024 from 5 hours. Pro bono cases closed through advice or other limited services are estimated to take 1 hour. Pro bono value is recognized as in-kind contributions. Judicare reduced fee cases pay ½ the estimated value or \$100 per hour. The equivalent ½ value unpaid is recognized as in-kind contributions.

<u>Program case type</u>	<u>Closed</u>	<u>2024 Paid</u>	<u>2024 In-kind</u>	<u>2023 In-kind</u>
Pro bono - extensive service	14	\$ -	\$ 19,600	\$ 12,000
Pro bono - limited service	22	-	4,400	4,200
Judicare	164	<u>48,948</u>	<u>48,948</u>	<u>44,355</u>
Totals		<u>\$ 48,948</u>	<u>\$ 72,948</u>	<u>\$ 60,555</u>

NOTE 5 – 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:

<u>Available financial assets</u>	<u>2024</u>	<u>2023</u>
Cash & cash equivalents	\$ 2,256,337	\$ 1,357,957
Add: grants receivable	208,029	233,812
Less: deferred revenue	<u>(643,918)</u>	<u>(49,682)</u>
Total available financial assets	<u>\$ 1,820,448</u>	<u>\$ 1,542,087</u>

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 – GRANTS RECEIVABLE

Grants receivable at December 31 consists of the following:

Grants receivable description	2024	2023
Appalachian Regional Commission (ARC)	\$ 7,363	\$ -
Legal Assistance for Victims (LAV)	63,478	55,077
Opioid Abatement Authority (OAA)	83,829	-
Rural Domestic Violence (RURAL)	38,257	92,523
Victims of Crime Act (VOCA)	-	72,609
Violence Against Women (V-STOP)	8,314	-
Grants less than \$5,000 each	6,788	13,603
Total grants receivable	<u>\$ 208,029</u>	<u>\$ 233,812</u>

NOTE 7 – 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. SVLAS also recognizes advance funding as deferred revenue because the funds are unexpended and cannot be earned until the period of performance. Deferred revenue at December 31 consists of the following:

Deferred revenue description	2024	2023
LSC carryover	<u>\$ 171,494</u>	<u>\$ 49,682</u>
LSC - January 2025	\$ 192,218	\$ -
LSCV - January 2025	180,206	-
The Rapha Foundation - fiscal 2025	100,000	-
Total deferred revenue - advance funding	<u>\$ 472,424</u>	<u>\$ -</u>

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

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 – PROPERTY AND EQUIPMENT (CONTINUED)

SVLAS purchased \$35,470 and disposed \$0 in property and equipment for the year ended December 31, 2024. Depreciation expense for the year ended December 31, 2024 and 2023 amounted to \$19,655 and \$17,881, respectively. Amortization expense amounted to \$2,240 and \$2,240, respectively.

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 for the year ended December 31, 2024 and 2023 amounted to \$29,810 and \$27,974, respectively. Amortization applies directly against asset balance.

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

Property & equipment description	2024		Total 2024	Total 2023
	Non-LSC	LSC		
Land	\$ 64,159	\$ 13,100	\$ 77,259	\$ 77,259
Buildings & improvements	389,627	120,416	510,043	474,573
Right-of-use lease asset	136,381	108,173	244,554	274,364
Law library	-	31,956	31,956	31,956
Furniture & fixtures	-	26,355	26,355	26,355
Software	6,370	4,829	11,199	11,199
Total property & equipment	<u>\$ 596,537</u>	<u>\$ 304,829</u>	<u>\$ 901,366</u>	<u>\$ 895,706</u>
Less: Accumulated depr. & amort.	<u>(129,795)</u>	<u>(128,124)</u>	<u>(257,919)</u>	<u>(236,024)</u>
Net property & equipment	<u>\$ 466,742</u>	<u>\$ 176,705</u>	<u>\$ 643,447</u>	<u>\$ 659,682</u>
Less: Lease liability	<u>(139,861)</u>	<u>(120,008)</u>	<u>(259,869)</u>	<u>(284,574)</u>
Ending property fund net assets	<u>\$ 326,881</u>	<u>\$ 56,697</u>	<u>\$ 383,578</u>	<u>\$ 375,108</u>

NOTE 9 – 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. Renewed for 36 months beginning November 2023. Remaining term 23 months at December 31, 2024. Monthly installments of \$1,090 for selected number of users.

Southwest Virginia Legal Aid Society, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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, 2024, lease interest amounted to \$20,895 and lease amortization amounted to \$24,705. The weighted-average remaining lease term in months for operating leases is 74 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
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	13,843	37,222	50,705
2028	55,400	45,063	10,337	40,368	50,705
2029	56,400	49,759	6,641	44,064	50,705
Thereafter	65,800	63,124	2,676	56,484	59,160
Total	<u>\$ 328,000</u>	<u>\$ 259,869</u>	<u>\$ 68,491</u>	<u>\$ 244,554</u>	<u>\$ 312,685</u>
Discount	<u>(68,131)</u>				
Total lease	<u>\$ 259,869</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 dependent 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, 2024 and 2023 was \$156,680 and \$136,795, 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 and cash equivalents, receivables, prepaids, accrued liabilities, and payables on the statement of financial position approximate fair value due to the short-term nature of these items. Long-term assets are valued at cost unless indicators of impairment are present. The carrying amount of lease liability is outstanding principal at December 31, 2024.

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, 2024

SCHEDULE 1
Page 1 of 2

<u>Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number</u>	<u>Assistance Listing Number</u>	<u>Award Amount</u>	<u>2024 Expenditures</u>	<u>Note</u>
Legal Services Corporation:				
Direct Payments:				
Legal Services Grant	09.447020 *	\$ 1,183,690	\$ 1,035,908	
Legal Services Carryover	09.447020 *	-	49,682	
<i>Total Legal Services Corporation</i>		<u>1,183,690</u>	<u>1,085,590</u>	
Department of Justice:				
Direct Payments:				
Rural Domestic Violence	16.589	550,000	38,257	B(3), C
Legal Assistance for Victims	16.524	585,631	233,795	B(3), C
Pass Through Payments:				
VA DCJS:				
Violence Against Women	16.588	30,089	12,955	B(3)
Crime Victim Assistance	16.575	265,813	119,248	B(3)
<i>Total Department of Justice</i>		<u>1,431,533</u>	<u>404,255</u>	
Department of the Treasury:				
Pass Through Payments:				
Appalachian Regional Commission:				
Appalachian Area Development	23.002	21,000	17,145	
<i>Total Department of the Treasury</i>		<u>21,000</u>	<u>17,145</u>	
Total Federal Awards		<u>\$ 2,636,223</u>	<u>\$ 1,506,990</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, 2024. 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, \$3,740 was passed through to subrecipients.
Of the amount shown for Legal Assistance, \$50,687 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?	Yes

Identification of Federal Programs:

<u>ALN</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, 2024

SCHEDULE 3
Page 1 of 4

	Legal Services Corporation				Legal Services Corporation of Virginia				VA Dept. of Criminal Justice	
	2024 Basic	Private Attorney Involvement	Attorney Donated Services	2023 Carryover	State	CORE	IKEA	Designated	V-Stop	VOCA
REVENUES:										
Grants	\$ 864,235	\$ 147,961	\$ -	\$ 49,682	\$ 1,859,037	\$ 42,000	\$ 37,965	\$ -	\$ 12,955	\$ 119,295
Interest income	23,658	-	-	-	42,465	-	-	-	-	-
In-kind	-	-	72,948	-	-	-	-	-	-	-
Miscellaneous	54	-	-	-	96	-	-	-	-	-
TOTAL REVENUES	887,947	147,961	72,948	49,682	1,901,598	42,000	37,965	-	12,955	119,295
EXPENSES:										
Salaries & wages	528,948	68,689	-	49,682	1,110,534	13,653	16,998	-	9,217	111,736
Payroll taxes	40,955	8,318	-	-	84,372	815	1,254	-	767	2,994
Fringe benefits	160,265	11,612	-	-	218,157	2,492	1,842	-	1,793	1,284
Professional services	-	48,948	-	-	-	-	-	-	-	-
In-kind professional services	-	-	72,948	-	-	-	-	-	-	-
Professional fees	2,220	-	-	-	24,502	-	-	-	-	46
Supplies	14,003	2,180	-	-	10,822	112	172	-	447	338
Telephone	16,092	1,882	-	-	12,719	181	278	-	217	554
Postage & shipping	2,752	228	-	-	2,968	22	32	-	15	60
Occupancy	13,539	1,175	-	-	23,311	192	295	-	231	529
Maintenance & repairs	16,469	2,864	-	-	16,977	257	391	-	89	1,321
Conferences, conventions & meetings	31,315	-	-	-	27,780	323	485	-	-	-
Printing & publications	7,404	-	-	-	11,119	-	-	-	-	-
Library up-keep	12,690	1,339	-	-	8,376	159	235	-	179	342
Professional dues	4,017	-	-	-	8,118	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Insurance	12,688	726	-	-	8,872	41	59	-	-	44
Litigation	-	-	-	-	-	-	-	-	-	-
Other expense	8,356	-	-	-	2,997	-	-	-	-	-
TOTAL EXPENSES	871,713	147,961	72,948	49,682	1,571,624	18,247	22,041	-	12,955	119,248
REVENUES OVER (UNDER) EXPENSES	16,234	-	-	-	329,974	23,753	15,924	-	-	47
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	(35,470)	-	-	-	-	-
Lease payments	(16,234)	-	-	-	(29,366)	-	-	-	-	-
NET OTHER CHANGES	(16,234)	-	-	-	(64,836)	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	-	-	-	-	265,138	23,753	15,924	-	-	47
BEGINNING NET ASSETS	-	-	-	-	616,899	(23,753)	(15,924)	500,000	-	(47)
ENDING NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ 882,037	\$ -	\$ -	\$ 500,000	\$ -	\$ -

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2024

SCHEDULE 3
Page 2 of 4

	Department of Justice		Opioid Abatement Authority				Conferences			
	LAV	RURAL	Virginia Project Pathfinder	Smyth County	Russell County	Lee County	DV	Elder	Bench Bar	ARC
REVENUES:										
Grants	\$ 233,795	\$ 38,257	\$ 78,082	\$ 2,555	\$ 2,555	\$ 639	\$ 7,877	\$ 10,590	\$ 2,492	\$ 17,147
Interest income	-	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	233,795	38,257	78,082	2,555	2,555	639	7,877	10,590	2,492	17,147
EXPENSES:										
Salaries & wages	148,963	30,002	59,624	1,951	1,951	488	-	-	-	12,453
Payroll taxes	11,442	2,294	7,562	247	247	58	-	-	-	929
Fringe benefits	17,634	1,315	10,897	357	357	93	-	-	-	2,340
Professional services	50,687	3,740	-	-	-	-	-	-	-	-
In-kind professional services	-	-	-	-	-	-	-	-	-	-
Professional fees	83	-	-	-	-	-	-	-	-	-
Supplies	997	417	(1)	-	-	-	92	-	-	265
Telephone	805	154	-	-	-	-	-	-	-	201
Postage & shipping	97	3	-	-	-	-	-	-	-	26
Occupancy	974	112	-	-	-	-	-	-	-	237
Maintenance & repairs	1,202	76	-	-	-	-	-	-	-	176
Conferences, conventions & meetings	-	-	-	-	-	-	5,558	7,923	8,781	242
Printing & publications	-	-	-	-	-	-	-	-	-	-
Library up-keep	581	144	-	-	-	-	-	-	-	154
Professional dues	-	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Insurance	330	-	-	-	-	-	-	-	-	122
Litigation	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	233,795	38,257	78,082	2,555	2,555	639	5,650	7,923	8,781	17,145
REVENUES OVER (UNDER) EXPENSES	-	-	-	-	-	-	2,227	2,667	(6,289)	2
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	-	-	-	-	-	-	2,227	2,667	(6,289)	2
BEGINNING NET ASSETS	-	-	-	-	-	-	12,810	17,521	20,560	(2)
ENDING NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,037	\$ 20,188	\$ 14,271	\$ -

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2024

SCHEDULE 3
Page 3 of 4

	Administration on Aging									
	District III	AASC	NRV Area on Aging	Mountain Empire Older Citizens	CVC	Black Lung	Veterans	Drug Courts	Outreach	Virginia Law Foundation
REVENUES:										
Grants	\$ 8,500	\$ 3,625	\$ 4,950	\$ 5,000	\$ 2,762	\$ -	\$ -	\$ 7,200	\$ -	\$ 25,000
Interest income	-	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	12,450	-
TOTAL REVENUES	8,500	3,625	4,950	5,000	2,762	-	-	7,200	12,450	25,000
EXPENSES:										
Salaries & wages	7,712	3,289	4,491	4,536	2,762	-	-	7,200	-	5,381
Payroll taxes	788	336	459	464	-	-	-	-	-	401
Fringe benefits	-	-	-	-	-	-	-	-	-	634
Professional services	-	-	-	-	-	-	-	-	-	-
In-kind professional services	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	5,848	12,369
Telephone	-	-	-	-	-	-	-	-	-	60
Postage & shipping	-	-	-	-	-	-	-	-	-	1
Occupancy	-	-	-	-	-	-	-	-	-	96
Maintenance & repairs	-	-	-	-	-	-	-	-	53	145
Conferences, conventions & meetings	-	-	-	-	-	-	-	-	5,529	5,890
Printing & publications	-	-	-	-	-	-	-	-	-	-
Library up-keep	-	-	-	-	-	-	-	-	-	-
Professional dues	-	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	23
Litigation	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	100	-
TOTAL EXPENSES	8,500	3,625	4,950	5,000	2,762	-	-	7,200	11,530	25,000
REVENUES OVER (UNDER) EXPENSES	-	-	-	-	-	-	-	-	920	-
OTHER CHANGES IN NET ASSETS:										
Acquisition of property	-	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	-	-	-	-	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	-	-	-	-	-	-	-	-	920	-
BEGINNING NET ASSETS	37,135	25,888	15,542	30,556	-	5,300	9,622	-	4,322	-
ENDING NET ASSETS	\$ 37,135	\$ 25,888	\$ 15,542	\$ 30,556	\$ -	\$ 5,300	\$ 9,622	\$ -	\$ 5,242	\$ -

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF ACTIVITY BY FUND
For the Year Ended December 31, 2024

SCHEDULE 3
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	Without donor restrictions	Property		Total	Total
	Unrestricted	Non-LSC	LSC	2024	2023
REVENUES:					
Grants	\$ -	\$ -	\$ -	\$ 3,584,156	\$ 3,609,391
Interest income	-	-	-	66,123	41,638
In-kind	-	-	-	72,948	60,555
Miscellaneous	3,487	-	-	16,087	15,180
TOTAL REVENUES	3,487	-	-	3,739,314	3,726,764
EXPENSES:					
Salaries & wages	-	-	-	2,200,260	2,414,076
Payroll taxes	-	-	-	164,702	184,176
Fringe benefits	-	-	-	431,072	463,029
Professional services	-	-	-	103,375	232,417
In-kind professional services	-	-	-	72,948	60,555
Professional fees	-	-	-	26,851	-
Supplies	172	-	-	48,233	83,488
Telephone	-	-	-	33,143	35,248
Postage & shipping	-	-	-	6,204	-
Occupancy	-	-	-	40,691	34,899
Maintenance & repairs	-	-	-	40,020	-
Conferences, conventions & meetings	-	-	-	93,826	95,765
Printing & publications	-	-	-	18,523	-
Library up-keep	-	-	-	24,199	24,836
Professional dues	-	-	-	12,135	13,818
Depreciation & amortization	-	14,013	7,882	21,895	20,121
Lease expense	-	32,304	18,401	50,705	50,705
Insurance	-	-	-	22,905	23,316
Litigation	542	-	-	542	2,528
Other expense	1,342	-	-	12,795	9,262
TOTAL EXPENSES	2,056	46,317	26,283	3,425,024	3,748,239
REVENUES OVER (UNDER) EXPENSES	1,431	(46,317)	(26,283)	314,290	(21,475)
OTHER CHANGES IN NET ASSETS:					
Acquisition of property	-	35,470	-	-	-
Lease payments	-	29,366	16,234	-	-
NET OTHER CHANGES	-	64,836	16,234	-	-
TOTAL CHANGES IN NET ASSETS	1,431	18,519	(10,049)	314,290	(21,475)
BEGINNING NET ASSETS	17,949	308,362	66,746	1,649,486	1,670,961
ENDING NET ASSETS	\$ 19,380	\$ 326,881	\$ 56,697	\$ 1,963,776	\$ 1,649,486

Southwest Virginia Legal Aid Society, Inc.
SCHEDULE OF REAL PROPERTY WITH LSC RESIDUAL INTEREST
For the year ended December 31, 2024

SCHEDULE 4

Real Property Description, Acquisition, and Status	Placed in Service	Asset Class	Useful Life	Depreciation Method	Total Basis	\$ LSC Basis	% LSC Basis	Accumulated Depreciation	Improve- ments	Disposals	Currently in Service
<i>Castlewood Office Building</i> Located at 16932 West Hills Drive, Castlewood, VA 24224. Located in Russell County, VA. Building is 4,172 square feet. LSC acquired this property after litigation with former grantee Client Centered Legal Services. LSC transferred the building and land to SVLAS as the new grantee for Service Area VA-15. Since being placed into service, this building has been used to provide client services. The Intake Unit and Castlewood Field Office continue to provide services from this location. Basis is assessed value of the building and paved parking as of the date placed in service. As of 2024, tax assessed value was \$131,700.	9/26/2002	Buildings & improvements	40 years	Straight-line	\$ 117,900	\$ 117,900	100%	\$ 65,593	YES capitalized separately	NO	YES
<i>Improvement of Castlewood Office</i> Upgraded wiring and added outlets necessary to accommodate equipment. Basis is actual cost.	4/5/2022	Buildings & improvements	5 years	Straight-line	\$ 5,834	\$ 2,516	43%	\$ 1,509	n/a	NO	YES
						<u>\$ 120,416</u>	<i>Total LSC Buildings & improvements</i>				
<i>Land of Castlewood Office Building</i> Located at 16932 West Hills Drive, Castlewood, VA 24224. Located in Russell County, VA. Land is 1.81 acres. Basis is assessed value as of the date placed in service. As of 2024, tax assessed value was \$10,000.	9/26/2002	Land	n/a	n/a	\$ 13,100	\$ 13,100	100%	n/a	YES building capitalized separately	NO	YES
						<u>\$ 13,100</u>	<i>Total LSC Land</i>				