

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

AUDITED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

**December 31, 2025**  
With Comparative Totals for 2024

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, 2025 and 2024, 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, 2025 and 2024, 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 March 24, 2026 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  
March 24, 2026

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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, 2025 and 2024, 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 March 24, 2026.

**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.



HBC Certified Public Accountants  
March 24, 2026

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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, 2025. 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, 2025.

***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 font.

HBC Certified Public Accountants  
March 24, 2026

Southwest Virginia Legal Aid Society, Inc.  
 STATEMENTS OF FINANCIAL POSITION  
 At December 31, 2025 and December 31, 2024

EXHIBIT 1

	2025	2024
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 3,246,701	\$ 2,256,337
Cash in escrow - client deposits	10,072	64
Grants receivable	83,195	208,029
Prepaid expenses	55,041	48,405
TOTAL CURRENT ASSETS	3,395,009	2,512,835
LONG-TERM ASSETS:		
Property & equipment	879,831	901,366
Accumulated depreciation	(279,942)	(257,919)
TOTAL LONG-TERM ASSETS	599,889	643,447
TOTAL ASSETS	\$ 3,994,898	\$ 3,156,282
<u>LIABILITIES &amp; NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 76,532	\$ 40,498
Client escrow deposits	10,072	64
Accrued wages	111,260	91,477
Deferred revenue - LSC carryover	159,527	171,494
Deferred revenue - advance funding	797,948	472,424
Lease liability - current	34,172	30,834
TOTAL CURRENT LIABILITIES	1,189,511	806,791
LONG-TERM LIABILITIES:		
Accrued annual leave	150,810	156,680
Lease liability - noncurrent	194,863	229,035
TOTAL LONG-TERM LIABILITIES	345,673	385,715
TOTAL LIABILITIES	1,535,184	1,192,506
NET ASSETS:		
Without donor restrictions	26,247	19,380
With donor restrictions:		
LSC Property	47,618	56,697
Non-LSC	2,385,849	1,887,699
Total with donor restrictions	2,433,467	1,944,396
TOTAL NET ASSETS	2,459,714	1,963,776
TOTAL LIABILITIES & NET ASSETS	\$ 3,994,898	\$ 3,156,282

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, 2025  
 with summarized totals for December 31, 2024

EXHIBIT 2  
 Page 1 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2025 TOTAL	2024 TOTAL
		LSC	NON - LSC	TOTAL		
REVENUES:						
Grant	\$ -	\$ 1,165,281	\$ 3,106,855	\$ 4,272,136	\$ 4,272,136	\$ 3,584,156
Interest income	-	28,667	55,741	84,408	84,408	66,123
In-kind	-	86,171	-	86,171	86,171	72,948
Miscellaneous	9,268	440	3,205	3,645	12,913	16,087
Net assets released from restrictions	3,957,289	(1,289,638)	(2,667,651)	(3,957,289)	-	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>3,966,557</b>	<b>(9,079)</b>	<b>498,150</b>	<b>489,071</b>	<b>4,455,628</b>	<b>3,739,314</b>
EXPENSES:						
LSC - General	887,809	-	-	-	887,809	897,996
LSC - Private Attorney Involvement	230,335	-	-	-	230,335	220,909
LSC - Carryover	171,494	-	-	-	171,494	49,682
LSC of VA - State Funds	1,793,751	-	-	-	1,793,751	1,571,624
LSC of VA - Other Funds	-	-	-	-	-	40,288
DCJS of VA - V-STOP	17,134	-	-	-	17,134	12,955
DCJS of VA - VOCA	-	-	-	-	-	119,248
DoJ - RURAL & LAV	223,790	-	-	-	223,790	272,052
Opioid Abatement Authority	433,938	-	-	-	433,938	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, 2025  
 with summarized totals for December 31, 2024

EXHIBIT 2  
 Page 2 of 2

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS			2025 TOTAL	2024 TOTAL
		LSC	NON - LSC	TOTAL		
EXPENSES (continued):						
Rapha Foundation	49,570	-	-	-	49,570	-
Conferences	20,498	-	-	-	20,498	22,354
Other funds	131,371	-	-	-	131,371	134,085
TOTAL EXPENSES	3,959,690	-	-	-	3,959,690	3,425,024
OTHER CHANGES IN NET ASSETS	-	-	-	-	-	-
TOTAL CHANGES IN NET ASSETS	6,867	(9,079)	498,150	489,071	495,938	314,290
BEGINNING NET ASSETS	19,380	56,697	1,887,699	1,944,396	1,963,776	1,649,486
ENDING NET ASSETS	\$ 26,247	\$ 47,618	\$ 2,385,849	\$ 2,433,467	\$ 2,459,714	\$ 1,963,776

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, 2025  
 with summarized totals for December 31, 2024

EXHIBIT 3

	PROGRAM SERVICES	SUPPORTING SERVICES		2025 TOTAL	2024 TOTAL
		MANAGEMENT AND GENERAL	FUND- RAISING		
Compensation and related expenses:					
Personnel expenses	\$ 3,014,026	\$ 210,502	\$ 10,634	\$ 3,235,162	\$ 2,796,034
Other expenses:					
Program Expenses	238,221	-	-	238,221	176,323
Professional Fees	29,048	-	-	29,048	26,851
Supplies	55,815	2,969	130	58,914	66,756
Telephone	32,304	2,267	116	34,687	33,143
Postage & Shipping	5,502	474	75	6,051	6,204
Occupancy	34,965	4,321	249	39,535	40,691
Maintenance & Repairs	46,824	3,368	138	50,330	40,020
Conferences, Conventions & Meetings	113,182	-	-	113,182	93,826
Dues & Subscriptions	38,043	-	-	38,043	36,334
Lease Expense	49,124	1,205	376	50,705	50,705
Depreciation & Amortization	21,336	524	163	22,023	21,895
Miscellaneous	42,919	836	34	43,789	36,242
Total other expenses	707,283	15,964	1,281	724,528	628,990
Total expenses year ended December 31, 2025	\$ 3,721,309	\$ 226,466	\$ 11,915	\$ 3,959,690	
Total expenses year ended December 31, 2024	\$ 3,219,261	\$ 175,961	\$ 29,802		\$ 3,425,024

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, 2025  
 and December 31, 2024

EXHIBIT 4

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 495,938	\$ 314,290
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation & amortization	22,023	21,895
Lease expense	50,705	50,705
Payment of lease liability	(49,600)	(45,600)
(Increase) Decrease in:		
Grants receivable	124,834	25,783
Prepaid expenses	(6,636)	13,239
Increase (Decrease) in:		
Trade accounts payable	36,034	(53,268)
Escrow deposits	10,008	10
Accrued wages	19,783	(7,315)
Deferred revenue - LSC carryover	(11,967)	121,812
Deferred revenue - other grants	325,524	472,424
Accrued vacation pay	(5,870)	19,885
Net cash provided (used) by Operating Activities	<u>1,010,776</u>	<u>933,860</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of assets	<u>(10,404)</u>	<u>(35,470)</u>
Net cash provided (used) by Investing Activities	<u>(10,404)</u>	<u>(35,470)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided (used) by Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	1,000,372	898,390
BEGINNING CASH AND CASH EQUIVALENTS	<u>2,256,401</u>	<u>1,358,011</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 3,256,773</u>	<u>\$ 2,256,401</u>
<b><u>SUPPLEMENTAL INFORMATION</u></b>		
Interest paid	<u>\$ 18,766</u>	<u>\$ 20,895</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 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, 2024, from which the summarized information was derived.

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 March 24, 2026 which is the date the financial statements were available to be issued. Events affecting 2026 are described below.

Carryover of LSC of Virginia (LSCV) Funds

The SVLAS Board of Directors has designated \$1,000,000 of LSCV carryover funds as a reserve fund against future funding losses. These funds were unexpended at December 31, 2025. 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 \$843,211 will roll over for general use in SVLAS' next calendar year.

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. The amount is not known until remitted.

Rapha Foundation Funds

The Rapha Foundation awarded \$100,000 to establish a pilot project in 2025 for conservatorship and guardianship casework in Dickenson County, Wise County, and the City of Norton. Rapha funds cover direct costs of Rapha cases. Rapha cases are not considered LSC eligible and can use only Rapha funds. Due to the success of the pilot project, the Rapha Foundation awarded \$300,000 to fund the project through December 2028. \$100,000 was received December 2025 and budgeted for calendar year 2026. SVLAS anticipates to receive \$100,000 in December 2026 and \$100,000 in December 2027.

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 \$148,047 and \$128,277 for the year ended December 31, 2025 and 2024, respectively.

Southwest Virginia Legal Aid Society, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2025

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 2025 and 2024.

NOTE 4 – CONTRIBUTED SERVICES

SVLAS recognizes professional donated services. Through the PAI program, private attorneys provide professional services pro bono or for reduced fees. SVLAS values private attorney involvement at \$200 per hour. Pro bono cases closed through negotiations, court decisions, or other extensive services are estimated to take 7 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>2025 Paid</u>	<u>2025 In-kind</u>	<u>2024 In-kind</u>
Pro bono - extensive service	6	\$ -	\$ 8,400	\$ 19,600
Pro bono - limited service	15	-	3,000	4,400
Judicare	191	<u>74,771</u>	<u>74,771</u>	<u>48,948</u>
Totals		<u>\$ 74,771</u>	<u>\$ 86,171</u>	<u>\$ 72,948</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. All amounts on deposit are either covered by FDIC or invested in U.S. Treasury bills. 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>2025</u>	<u>2024</u>
Cash & cash equivalents	\$ 3,246,701	\$ 2,256,337
Add: grants receivable	83,195	208,029
Less: deferred revenue	<u>(957,475)</u>	<u>(643,918)</u>
Total available financial assets	<u>\$ 2,372,421</u>	<u>\$ 1,820,448</u>

Southwest Virginia Legal Aid Society, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2025

NOTE 6 – GRANTS RECEIVABLE

Grants receivable at December 31 consists of the following:

Grants receivable description	2025	2024
Appalachian Regional Commission (ARC)	\$ 9,716	\$ 7,363
Legal Assistance for Victims (LAV)	-	63,478
Opioid Abatement Authority (OAA)	-	83,829
Rural Domestic Violence (RURAL)	67,254	38,257
Violence Against Women (V-STOP)	-	8,314
Grants less than \$5,000 each	6,225	6,788
Total grants receivable	\$ 83,195	\$ 208,029

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	2025	2024
LSC carryover	\$ 159,527	\$ 171,494
LSC advance	\$ -	\$ 192,218
LSCV advance	580,636	180,206
Rapha Foundation advance	100,000	100,000
Opioid Abatement Authority advance	117,312	-
Total deferred revenue - advance funding	\$ 797,948	\$ 472,424

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, 2025

NOTE 8 – PROPERTY AND EQUIPMENT (CONTINUED)

SVLAS purchased \$10,404 and disposed \$0 in property and equipment for the year ended December 31, 2025. Depreciation expense for the year ended December 31, 2025 and 2024 amounted to \$19,783 and \$19,655, 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, 2025 and 2024 amounted to \$29,810 and \$31,939, respectively. Amortization applies directly against asset balance.

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

Property & equipment description	2025		Total 2025	Total 2024
	Non-LSC	LSC		
Land	\$ 64,159	\$ 13,100	\$ 77,259	\$ 77,259
Buildings & improvements	400,031	120,416	520,447	510,043
Right-of-use lease asset	114,813	97,802	212,615	244,554
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>\$ 585,373</u>	<u>\$ 294,458</u>	<u>\$ 879,831</u>	<u>\$ 901,366</u>
Less: Accumulated depr. & amort.	<u>(147,638)</u>	<u>(132,304)</u>	<u>(279,942)</u>	<u>(257,919)</u>
Net property & equipment	<u>\$ 437,735</u>	<u>\$ 162,154</u>	<u>\$ 599,889</u>	<u>\$ 643,447</u>
Less: Lease liability	<u>(114,499)</u>	<u>(114,536)</u>	<u>(229,035)</u>	<u>(259,869)</u>
Ending property fund net assets	<u>\$ 323,236</u>	<u>\$ 47,618</u>	<u>\$ 370,854</u>	<u>\$ 383,578</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 in November 2023. Ends November 2026. Monthly installments average \$901 based on number of users.

DocuSign integration with the SVLAS Client Database for electronic signatures. Three year term beginning July 2025. Ends July 2028. Annual cost \$4,100 for up to 900 transactions annually. \$5 per transaction thereafter.

Southwest Virginia Legal Aid Society, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2025

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, 2025, lease interest amounted to \$18,766 and lease amortization amounted to \$30,834. The weighted-average remaining lease term in months for operating leases is 62 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
2026	\$ 50,400	\$ 34,172	\$ 16,228	\$ 34,477	\$ 50,705
2027	50,400	36,917	13,483	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
2030	56,400	53,755	2,645	48,060	50,705
Thereafter	9,400	9,369	31	8,424	8,455
Total	\$ 278,400	\$ 229,035	\$ 49,365	\$ 212,615	\$ 261,980
Discount	(49,365)				
Total lease	\$ 229,035				

NOTE 11 – ACCRUED ANNUAL LEAVE

Upon employee termination, SVLAS pays out accumulated annual leave. 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 annual leave is calculated as each employee’s annual leave hours available at December 31 multiplied by their hourly rate. Accrued annual leave at December 31, 2025 and 2024 was \$150,810 and \$156,680, respectively.

Southwest Virginia Legal Aid Society, Inc.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2025

NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

There are no financial instruments to report at fair value. Current assets and current liabilities are reported at nominal dollar value. Property and equipment are reported at historical cost unless indicators of impairment are present. Right-of-use lease asset is reported net of accumulated amortization. Accrued annual leave is calculated from employee balances and pay rates at December 31. The carrying amount of lease liability is outstanding principal at December 31.

SUPPLEMENTARY INFORMATION

Southwest Virginia Legal Aid Society, Inc.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended December 31, 2025

Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number	Assistance Listing Number	Award Amount	2025 Expenditures	Note
Legal Services Corporation:				
Direct Payments:				
Legal Services Grant	09.447020	* \$ 1,153,314	\$ 1,022,894	
Legal Services Carryover	09.447020	* -	171,494	
<i>Total Legal Services Corporation</i>		<u>1,153,314</u>	<u>1,194,388</u>	
Department of Justice:				
Direct Payments:				
Rural Domestic Violence	16.589	550,000	223,790	B(3), C
Pass Through Payments:				
VA DCJS:				
Violence Against Women	16.588	30,089	17,134	B(3)
<i>Total Department of Justice</i>		<u>580,089</u>	<u>240,924</u>	
Department of the Treasury:				
Pass Through Payments:				
Appalachian Regional Commission:				
Appalachian Area Development	23.002	41,349	30,065	
<i>Total Department of the Treasury</i>		<u>41,349</u>	<u>30,065</u>	
Total Federal Awards		<u>\$ 1,774,752</u>	<u>\$ 1,465,377</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, 2025. 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, \$77,279 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:	\$1,000,000
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, 2025

	Legal Services Corporation				Legal Services Corporation of Virginia			VA DCJS VSTOP	DoJ RURAL
	2025 Basic	Private Attorney Involvement	Attorney Donated Services	2024 Carryover	State	IOLTA	Designated		
REVENUES:									
Grants	\$ 849,623	\$ 144,164	\$ -	\$ 171,494	\$ 2,102,252	\$ 140,253	\$ -	\$ 17,134	\$ 223,790
Interest income	28,667	-	-	-	55,741	-	-	-	-
In-kind	-	-	86,171	-	-	-	-	-	-
Miscellaneous	440	-	-	-	855	-	-	-	-
TOTAL REVENUES	<u>878,730</u>	<u>144,164</u>	<u>86,171</u>	<u>171,494</u>	<u>2,158,848</u>	<u>140,253</u>	<u>-</u>	<u>17,134</u>	<u>223,790</u>
EXPENSES:									
Salaries & wages	567,321	51,606	-	171,494	1,160,131	-	-	12,154	126,393
Payroll taxes	51,111	5,701	-	-	88,639	-	-	903	9,650
Fringe benefits	124,024	7,392	-	-	308,865	-	-	2,519	5,794
Professional services	-	74,771	-	-	-	-	-	-	77,279
In-kind professional services	-	-	86,171	-	-	-	-	-	-
Professional fees	10,400	-	-	-	18,593	-	-	-	-
Supplies	15,424	999	-	-	31,227	-	-	325	720
Telephone	10,065	1,000	-	-	21,745	-	-	303	612
Postage & shipping	1,044	215	-	-	4,466	-	-	61	157
Occupancy	11,837	678	-	-	25,185	-	-	308	641
Maintenance & repairs	14,550	1,802	-	-	31,908	-	-	355	649
Conferences, conventions & meetings	27,512	-	-	-	55,923	-	-	-	1,369
Printing & publications	-	-	-	-	-	-	-	-	-
Library up-keep	9,012	-	-	-	14,356	-	-	206	526
Professional dues	5,130	-	-	-	8,295	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-
Insurance	13,984	-	-	-	18,978	-	-	-	-
Litigation	221	-	-	-	350	-	-	-	-
Other expense	2,559	-	-	-	5,090	-	-	-	-
TOTAL EXPENSES	<u>864,194</u>	<u>144,164</u>	<u>86,171</u>	<u>171,494</u>	<u>1,793,751</u>	<u>-</u>	<u>-</u>	<u>17,134</u>	<u>223,790</u>
REVENUES OVER (UNDER) EXPENSES	14,536	-	-	-	365,097	140,253	-	-	-
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	(10,404)	-	-	-	-
Lease payments	(14,536)	-	-	-	(35,064)	-	-	-	-
Transfer in (out)	-	-	-	-	(500,000)	-	500,000	-	-
NET OTHER CHANGES	<u>(14,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(545,468)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
TOTAL CHANGES IN NET ASSETS	-	-	-	-	(180,371)	140,253	500,000	-	-
BEGINNING NET ASSETS	-	-	-	-	882,037	-	500,000	-	-
ENDING NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 701,666</u>	<u>\$ 140,253</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

Southwest Virginia Legal Aid Society, Inc.  
SCHEDULE OF ACTIVITY BY FUND  
For the Year Ended December 31, 2025

	Opioid Abatement Authority					The Rapha Foundation	Conferences		
	Virginia Project Pathfinder	Smyth County	Russell County	Lee County	Wise County		DV	Elder	Bench Bar
REVENUES:									
Grants	\$ 396,495	\$ 13,658	\$ 13,658	\$ 3,414	\$ 6,713	\$ 100,000	\$ 5,730	\$ 8,688	\$ 2,135
Interest income	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>396,495</u>	<u>13,658</u>	<u>13,658</u>	<u>3,414</u>	<u>6,713</u>	<u>100,000</u>	<u>5,730</u>	<u>8,688</u>	<u>2,135</u>
EXPENSES:									
Salaries & wages	316,582	10,906	10,906	2,726	5,364	36,328	-	-	-
Payroll taxes	23,147	799	799	200	410	2,787	-	-	-
Fringe benefits	56,766	1,953	1,953	488	938	5,942	-	-	-
Professional services	-	-	-	-	-	-	-	-	-
In-kind professional services	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	55	-	-	-
Supplies	-	-	-	-	1	952	63	-	-
Telephone	-	-	-	-	-	567	-	-	-
Postage & shipping	-	-	-	-	-	59	-	-	-
Occupancy	-	-	-	-	-	600	-	-	-
Maintenance & repairs	-	-	-	-	-	669	-	-	-
Conferences, conventions & meetings	-	-	-	-	-	975	9,545	3,082	7,808
Printing & publications	-	-	-	-	-	-	-	-	-
Library up-keep	-	-	-	-	-	317	-	-	-
Professional dues	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	206	-	-	-
Litigation	-	-	-	-	-	30	-	-	-
Other expense	-	-	-	-	-	83	-	-	-
TOTAL EXPENSES	<u>396,495</u>	<u>13,658</u>	<u>13,658</u>	<u>3,414</u>	<u>6,713</u>	<u>49,570</u>	<u>9,608</u>	<u>3,082</u>	<u>7,808</u>
REVENUES OVER (UNDER) EXPENSES	-	-	-	-	-	50,430	(3,878)	5,606	(5,673)
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CHANGES IN NET ASSETS	-	-	-	-	-	50,430	(3,878)	5,606	(5,673)
BEGINNING NET ASSETS	-	-	-	-	-	-	15,037	20,188	14,271
ENDING NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,430</u>	<u>\$ 11,159</u>	<u>\$ 25,794</u>	<u>\$ 8,598</u>

Southwest Virginia Legal Aid Society, Inc.  
SCHEDULE OF ACTIVITY BY FUND  
For the Year Ended December 31, 2025

	Area Agencies on Aging				ARC	CVC	Black Lung	Veterans	Drug Courts
	District III	AASC	NRV Area on Aging	Mountain Empire Older Citizens					
REVENUES:									
Grants	\$ 10,000	\$ 4,000	\$ 4,950	\$ 5,000	\$ 30,065	\$ 320	\$ -	\$ -	\$ 3,600
Interest income	-	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>10,000</u>	<u>4,000</u>	<u>4,950</u>	<u>5,000</u>	<u>30,065</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>3,600</u>
EXPENSES:									
Salaries & wages	9,073	3,629	4,491	4,536	22,120	320	-	-	3,600
Payroll taxes	765	306	379	383	1,493	-	-	-	-
Fringe benefits	-	-	-	-	4,301	-	-	-	-
Professional services	-	-	-	-	-	-	-	-	-
In-kind professional services	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	403	-	-	-	-
Telephone	-	-	-	-	300	-	-	-	-
Postage & shipping	-	-	-	-	49	-	-	-	-
Occupancy	-	-	-	-	286	-	-	-	-
Maintenance & repairs	-	-	-	-	397	-	-	-	-
Conferences, conventions & meetings	-	-	-	-	403	-	-	-	-
Printing & publications	-	-	-	-	-	-	-	-	-
Library up-keep	-	-	-	-	201	-	-	-	-
Professional dues	-	-	-	-	-	-	-	-	-
Depreciation & amortization	-	-	-	-	-	-	-	-	-
Lease expense	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	112	-	-	-	-
Litigation	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	<u>9,838</u>	<u>3,935</u>	<u>4,870</u>	<u>4,919</u>	<u>30,065</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>3,600</u>
REVENUES OVER (UNDER) EXPENSES	162	65	80	81	-	-	-	-	-
OTHER CHANGES IN NET ASSETS:									
Acquisition of property	-	-	-	-	-	-	-	-	-
Lease payments	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-
NET OTHER CHANGES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CHANGES IN NET ASSETS	162	65	80	81	-	-	-	-	-
BEGINNING NET ASSETS	<u>37,135</u>	<u>25,888</u>	<u>15,542</u>	<u>30,556</u>	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>9,622</u>	<u>-</u>
ENDING NET ASSETS	<u>\$ 37,297</u>	<u>\$ 25,953</u>	<u>\$ 15,622</u>	<u>\$ 30,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,300</u>	<u>\$ 9,622</u>	<u>\$ -</u>

Southwest Virginia Legal Aid Society, Inc.  
SCHEDULE OF ACTIVITY BY FUND  
For the Year Ended December 31, 2025

	Outreach	Virginia Law Foundation	Without donor restrictions	Property		Total 2025	Total 2024
			Unrestricted	Non-LSC	LSC		
<b>REVENUES:</b>							
Grants	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 4,272,136	\$ 3,584,156
Interest income	-	-	-	-	-	84,408	66,123
In-kind	-	-	-	-	-	86,171	72,948
Miscellaneous	2,350	-	9,268	-	-	12,913	16,087
<b>TOTAL REVENUES</b>	<b>2,350</b>	<b>15,000</b>	<b>9,268</b>	<b>-</b>	<b>-</b>	<b>4,455,628</b>	<b>3,739,314</b>
<b>EXPENSES:</b>							
Salaries & wages	-	7,075	-	-	-	2,526,755	2,200,260
Payroll taxes	-	-	-	-	-	187,472	164,702
Fringe benefits	-	-	-	-	-	520,935	431,072
Professional services	-	-	-	-	-	152,050	103,375
In-kind professional services	-	-	-	-	-	86,171	72,948
Professional fees	-	-	-	-	-	29,048	26,851
Supplies	6,875	1,700	225	-	-	58,914	48,233
Telephone	-	-	95	-	-	34,687	33,143
Postage & shipping	-	-	-	-	-	6,051	6,204
Occupancy	-	-	-	-	-	39,535	40,691
Maintenance & repairs	-	-	-	-	-	50,330	40,020
Conferences, conventions & meetings	340	6,225	-	-	-	113,182	93,826
Printing & publications	-	-	-	-	-	-	18,523
Library up-keep	-	-	-	-	-	24,618	24,199
Professional dues	-	-	-	-	-	13,425	12,135
Depreciation & amortization	-	-	-	14,872	7,151	22,023	21,895
Lease expense	-	-	-	34,241	16,464	50,705	50,705
Insurance	-	-	-	-	-	33,280	22,905
Litigation	-	-	1,158	-	-	1,759	542
Other expense	95	-	923	-	-	8,750	12,795
<b>TOTAL EXPENSES</b>	<b>7,310</b>	<b>15,000</b>	<b>2,401</b>	<b>49,113</b>	<b>23,615</b>	<b>3,959,690</b>	<b>3,425,024</b>
<b>REVENUES OVER (UNDER) EXPENSES</b>	<b>(4,960)</b>	<b>-</b>	<b>6,867</b>	<b>(49,113)</b>	<b>(23,615)</b>	<b>495,938</b>	<b>314,290</b>
<b>OTHER CHANGES IN NET ASSETS:</b>							
Acquisition of property	-	-	-	10,404	-	-	-
Lease payments	-	-	-	35,064	14,536	-	-
Transfer in (out)	-	-	-	-	-	-	-
<b>NET OTHER CHANGES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,468</b>	<b>14,536</b>	<b>-</b>	<b>-</b>
<b>TOTAL CHANGES IN NET ASSETS</b>	<b>(4,960)</b>	<b>-</b>	<b>6,867</b>	<b>(3,645)</b>	<b>(9,079)</b>	<b>495,938</b>	<b>314,290</b>
<b>BEGINNING NET ASSETS</b>	<b>5,242</b>	<b>-</b>	<b>19,380</b>	<b>326,881</b>	<b>56,697</b>	<b>1,963,776</b>	<b>1,649,486</b>
<b>ENDING NET ASSETS</b>	<b>\$ 282</b>	<b>\$ -</b>	<b>\$ 26,247</b>	<b>\$ 323,236</b>	<b>\$ 47,618</b>	<b>\$ 2,459,714</b>	<b>\$ 1,963,776</b>

Southwest Virginia Legal Aid Society, Inc.  
 SCHEDULE OF REAL PROPERTY WITH LSC RESIDUAL INTEREST  
 For the year ended December 31, 2025

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%	\$ 68,541	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%	\$ 2,012	n/a	NO	YES
						<u>\$ 120,416</u>	<i>Total LSC Buildings &amp; 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>				