

Legal Aid of West Virginia, Inc.

LSC Grant Recipient Number 449041

**Financial Statements
and
Supplementary Information**

December 31, 2022

Legal Aid of West Virginia, Inc.

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Independent Auditor's Report

To the Board of Directors
Legal Aid of West Virginia, Inc.

Report on the Audit of the Financial Statements **Opinion**

We have audited the accompanying financial statements of Legal Aid of West Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all the material respects, the financial position of Legal Aid of West Virginia, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year 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, and the provisions of the Legal Services Corporation's "Audit Guide for Recipients and Auditors, November 1996" and "Compliance Supplement for Audits of LSC Recipients". 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 Legal Aid of West Virginia, 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 the 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 Legal Aid of West Virginia, 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 judgement 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 judgement 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 Legal Aid of West Virginia, 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 Legal Aid of West Virginia, 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 expenditures by funding sources, schedule of indirect costs, schedule of private attorney involvement expenses, schedule of support, revenue, expenses and changes in net assets, schedule of BHHF funding status for agreement number G220697, and schedules of grant receipts and expenditures on pages 18 through 26 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of*

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of Legal Aid of West Virginia, 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 Legal Aid of West Virginia, 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 Legal Aid of West Virginia, Inc.'s over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Legal Aid of West Virginia, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Charleston, West Virginia
June 30, 2023

Legal Aid of West Virginia, Inc.

Statement of Financial Position

December 31, 2022, with Comparative Totals
as of December 31, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$3,129,622	\$5,613,112
Client escrow funds	73,841	78,655
Grants and programs receivable	3,214,877	2,354,780
Prepaid expenses	2,600	27,400
Furniture and equipment, net	22,554	11,284
Right of use assets, net	<u>783,746</u>	<u>-0-</u>
Total Assets	<u>\$7,227,240</u>	<u>\$8,085,231</u>
Liabilities and Net Assets		
Accounts payable	\$ 112,286	\$ 671,424
Accrued taxes and withholdings	566,705	174,813
Client trust deposits	73,841	78,655
Accrued payroll and annual leave	147,949	147,941
Grant and other funds received in advance	3,726,818	4,718,639
Lease liability	<u>783,746</u>	<u>-0-</u>
Total Liabilities	<u>5,411,345</u>	<u>5,791,472</u>
Net Assets		
Without donor restrictions	1,809,742	2,286,490
With donor restrictions		
Legal Services Corporation-property	<u>6,153</u>	<u>7,269</u>
Total with donor restrictions	<u>6,153</u>	<u>7,269</u>
Total Net Assets	<u>1,815,895</u>	<u>2,293,759</u>
Total Liabilities and Net Assets	<u>\$7,227,240</u>	<u>\$8,085,231</u>

See notes to financial statements.

Legal Aid of West Virginia, Inc.

Statement of Activities

For the Year Ended December 31, 2022, with Comparative Totals
for the Year Ended December 31, 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains, and Other Support				
Grants				
Legal Services Corporation-Basic Field	\$ -0-	\$ 3,634,462	\$ 3,634,462	\$ 2,699,950
Legal Services Corporation-Pro Bono Innovation Trans.	-0-	130,092	130,092	14,198
Legal Services Corporation-Technology Initiative Grant	-0-	36,112	36,112	58,453
Legal Services Corporation – COVID-19 Response Grant	-0-	-0-	-0-	120,659
Legal Services Corporation – Emergency Appropriation	-0-	-0-	-0-	308
US Department of Justice	-0-	372,984	372,984	591,036
West Virginia Fund for Law in the Public Interest, Inc.	-0-	48,164	48,164	40,144
West Virginia Department of Health and Human Resources	-0-	4,480,645	4,480,645	3,886,878
West Virginia Bureau of Senior Services	-0-	917,606	917,606	772,814
WV Division of Justice and Community Services	-0-	2,327,995	2,327,995	2,534,542
United Way	-0-	81,488	81,488	53,000
West Virginia State Bar	-0-	5,938	5,938	3,485
Other grants	-0-	1,003,982	1,003,982	651,566
Interest on Lawyers Trust Account	-0-	100,680	100,680	643,905
Interest	319	-0-	319	513
Resource development	213,396	100,950	314,346	935,583
Other contributions and revenues-LSC	-0-	-0-	-0-	-0-
Other contributions and revenues-non LSC	12,137	-0-	12,137	-0-
In-kind contributions	25,488	153,094	178,582	307,232
Net assets released from restrictions				
Satisfaction of grant activities	13,242,214	(13,242,214)	-0-	-0-
Satisfaction of program and time requirements	153,094	(153,094)	-0-	-0-
Total Revenues, Gains, and Other Support	13,646,648	(1,116)	13,645,532	13,314,266
Expenses and Losses				
Grants				
Legal Services Corporation-Basic Field	3,634,462	-0-	3,634,462	2,699,950
Legal Services Corporation-Pro Bono Innovation	130,092	-0-	130,092	14,198
Legal Services Corporation COVID-19 Response Grant	-0-	-0-	-0-	120,659
Legal Services Corporation – Emergency Appropriation	-0-	-0-	-0-	308
Legal Services Corporation – Technology Initiative Grant	36,112	-0-	36,112	58,453
US Department of Justice	372,984	-0-	372,984	588,675
West Virginia Fund for Law in the Public Interest, Inc.	48,164	-0-	48,164	54,860
West Virginia Department of Health and Human Resources	4,480,645	-0-	4,480,645	3,886,878
West Virginia Bureau of Senior Services	917,606	-0-	917,606	772,814
WV Division of Justice and Community Services	2,327,995	-0-	2,327,995	2,534,742
United Way	81,488	-0-	81,488	53,482
Other grants	1,009,920	-0-	1,009,920	647,995
Interest on Lawyers Trust Account	585,367	-0-	585,367	1,023,363
Fund raising	313,747	-0-	313,747	307,032
Depreciation	3,359	-0-	3,359	2,345
In-kind expenses	178,582	-0-	178,582	307,232
Total Expenses and Losses	14,123,396	-0-	14,123,396	13,072,986
Change in Net Assets	(476,748)	(1,116)	(477,864)	241,280
Net Assets, Beginning of Year	2,286,490	7,269	2,293,759	2,052,479
Net Assets, End of Year	\$ 1,809,742	\$ 6,153	\$ 1,815,895	\$ 2,293,759

See notes to financial statements.

Legal Aid of West Virginia, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2022, with Comparative Totals
for the Year Ended December 31, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (477,864)	\$ 241,280
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	3,359	2,345
(Increase) decrease in grants and programs receivable	(860,097)	109,461
(Increase) decrease in prepaid expenses	24,800	(11,728)
Increase (decrease) in accounts payable	(559,138)	474,772
Increase (decrease) in accrued taxes and withholdings	391,892	(155,379)
Increase (decrease) in accrued payroll and annual leave	8	(172,537)
Increase (decrease) in grant and other funds received in advance	<u>(991,821)</u>	<u>(577,822)</u>
Net Cash (Used In) Provided By Operating Activities	<u>(2,468,861)</u>	<u>(89,608)</u>
Cash Flows From Investing Activities	<u>(14,629)</u>	<u>-0-</u>
Cash Flows From Financing Activities	<u>-0-</u>	<u>-0-</u>
Net (Decrease) Increase in Cash	(2,483,490)	(89,608)
Cash, Beginning of Year	<u>5,613,112</u>	<u>5,702,720</u>
Cash, End of Year	<u>\$ 3,129,622</u>	<u>\$5,613,112</u>

See notes to financial statements.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2022, with Comparative Totals
as of December 31, 2021

Note A – Summary of Significant Accounting Policies

Organization - Legal Aid of West Virginia, Inc. was formed as of January 1, 2002 from the merger of West Virginia Legal Services Plan, Inc. and Appalachian Legal Services, Inc. The Organization represents low income individuals in civil legal matters, provides regional long-term care ombudsmen services throughout the State of West Virginia, assists victims of domestic violence and provides advocacy services to the residents of the community and in-patient behavioral health facilities operated by the State of West Virginia.

Revenues and Expenses - The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

All contributions and grants are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor or grantor are reported as net assets with donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the program services and supporting activities of the Organization have been summarized on a neutral classification basis.

Classes of Net Assets – The financial statements report amounts by class of net assets.

Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, donor-advised funds, or invested in property and equipment.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2022, with Comparative Totals
as of December 31, 2021

Note A – Summary of Significant Accounting Policies – (Continued)

Basis of Accounting - The Organization prepares its financial statements on the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities.

Furniture and Equipment - Furniture and equipment items are recorded at cost. All expenditures for property and equipment in excess of \$5,000 are capitalized. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets. The classification of these capitalized items at December 31, 2022 and 2021 are classified in the accompanying financial statements as follows:

<u>December 31, 2022</u>	<u>LSC Property</u>	<u>Other Funds</u>	<u>Total</u>
Furniture and equipment	\$30,522	\$26,862	\$ 57,384
Leasehold improvements	9,844	77,039	86,883
Law library	<u>47,809</u>	<u>-0-</u>	<u>47,809</u>
	88,175	103,901	192,076
Less accumulated depreciation	<u>78,037</u>	<u>91,482</u>	<u>169,522</u>
	<u>\$10,138</u>	<u>\$12,416</u>	<u>\$ 22,554</u>
<u>December 31, 2021</u>	<u>LSC Property</u>	<u>Other Funds</u>	<u>Total</u>
Furniture and equipment	\$30,522	\$26,862	\$57,384
Leasehold improvements	5,858	66,397	72,255
Law library	<u>47,809</u>	<u>-0-</u>	<u>47,809</u>
	84,189	93,259	177,448
Less accumulated depreciation	<u>76,920</u>	<u>89,244</u>	<u>166,164</u>
	<u>\$ 7,269</u>	<u>\$ 4,015</u>	<u>\$11,284</u>

Depreciation expense for each of the years ended December 31, 2022 and 2021 was \$3,359 and \$2,345, respectively.

Leases – The Company leases certain buildings. The determination of whether an arrangement is a lease is made at the lease’s inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in our balance sheet. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable. Since most of the Company’s leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Company’s incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2022, with Comparative Totals
as of December 31, 2021

Note A – Summary of Significant Accounting Policies – (Continued)

and excludes any lease incentive. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

Income Taxes – The Organization is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and has been preliminarily classified as an Organization that is not a private foundation under Section 509(a)(2). The Organization is exempt from income taxes on income derived from nonprofit activities.

As of December 31, 2022, the tax years that remain subject to examination begin with 2019. Tax returns for 2019, 2020, 2021, and 2022 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

New Accounting Standards – In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Lease (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

The Organization elected to adopt these ASUs effective January 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Organization's balance sheet but did not have a material impact on the income statement. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required the Organization to restate amounts as of January 1, 2022, resulting in a net increase in operating lease ROU assets of \$783,746 and an increase in operating lease liabilities of \$783,746.

Comparative Financial Information – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Statement of Cash Flows - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Subsequent Events - Subsequent events were evaluated through June 30, 2023, which is the date the financial statements were available to be issued, and determined that there are no subsequent events that require disclosure.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2022, with Comparative Totals
as of December 31, 2021

Note B – Office Rent

The Organization leases offices at several of its locations under lease agreements which expire at various times through January, 2029. The future minimum lease payments due under the leases are as follows:

	<u>2022</u>
Operating Leases	
Operating lease right-of-use-assets	<u>\$ 783,746</u>
Operating lease liabilities:	
Current portion	\$ 177,031
Long term, less current portion	<u>606,715</u>
Total	<u>\$ 783,746</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2022</u>
Weighted Average Remaining Lease Term	
Operating leases	7 years
Weighted Average Discount Rate	
Operating leases	4.0%

<u>Year Ended</u>	<u>Amount</u>
2023	\$ 589,177
2024	311,444
2025	226,034
2026	166,500
2027	107,400
Thereafter	<u>63,300</u>
	<u>\$1,463,855</u>

Additionally, the Organization leases office space at its other locations under month to month lease agreements. Total rent expense for the years ended December 31, 2022 and 2021 was \$625,684 and \$622,643, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2022, with Comparative Totals
as of December 31, 2021**

Note C – In-Kind Revenues and Expenses

During the years ended December 31, 2022 and 2021, the Organization received donations of private attorney fees and volunteer services to assist in carrying out its programs. These items were valued utilizing current service rules. During the years ended December 31, 2022 and 2021, the Organization received contributions totaling \$178,582 and \$307,232, respectively, related to these items.

The Interest on Lawyers Trust Accounts picks up indirect costs incurred by various other program. Per the indirect cost allocations utilized by the Organization, a total of \$81,280 and \$86,362 of indirect costs were incurred by these programs for the years ended December 31, 2022 and 2021 which should have been incurred by other grants and programs.

Note D – Private Attorney Involvement

As part of its funding received from the Legal Services Corporation, the Organization is required to devote an amount equal to 12.5% of its Basic Field grant award for the involvement of private sector attorneys in the delivery of legal assistance to eligible clients.

During the year ended December 31, 2021, the Organization received a partial Private Attorney Involvement (PAI) waiver. The partial waiver reduced the PAI expenditure requirement from \$370,865 to \$245,000, or from 12.5% to 8.25%.

During the years ended December 31, 2022 and 2021, the Organization expended 12.6% and 8.25%, respectively of its Basic Field grant for the involvement of private sector attorneys.

Note E – Tax Deferred Annuity

The Organization maintains a tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. The plan allows for contributions of 6% of all employees salary up to an annual salary of \$15,000, and 5% of the employees' salary in excess of \$15,000, with reductions in the amount contributed on behalf of employees allowable upon approval by the board of directors. During the year ended December 31, 2022 and 2021, the Organization implemented a match up to 2% and 2%, respectively, for employees who contribute to their own plan. During the years ended December 31, 2022 and 2021, the Organization contributed \$738,762 and \$687,861, respectively, on behalf of employees related to the plan.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2022, with Comparative Totals
as of December 31, 2021**

Note F – Program and Other Expenditures

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to programs and supporting services generally on the basis of actual time incurred. Supporting services include expenses related to property, fundraising and donations that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Expenditures for the year ended December 31, 2022, with comparative totals as of December 31, 2021 are as follows:

	2022			Totals	2021 Totals
	Legal Services Corporation	Other Programs	Supporting Services		
Salaries and wages	\$2,564,536	\$5,624,857	\$259,343	\$ 8,448,736	\$ 7,821,974
Payroll taxes and employee benefits	811,972	2,081,226	107,762	3,000,960	2,752,349
Contract services	78,490	277,239	22	355,751	309,686
Travel and meetings	50,741	294,222	4,379	349,342	161,019
Office and consumables	101,048	178,323	2,213	281,584	211,815
Telephone	21,479	158,252	7,909	187,640	189,815
Parking	8,017	36,106	-0-	44,123	39,801
Litigation	12,165	19,721	208	32,094	34,944
Depreciation	-0-	-0-	3,359	3,359	2,345
Equipment cost	29,467	63,608	-0-	93,075	71,541
Occupancy	83,462	587,694	14,744	685,900	669,905
Other expenses	35,303	368,291	28,738	432,332	442,580
Library	-0-	29,918	-0-	29,918	57,980
Donated Services, Facilities	135,825	42,757	-0-	178,582	307,232
	<u>\$3,932,505</u>	<u>\$9,762,214</u>	<u>\$428,677</u>	<u>\$14,123,396</u>	<u>\$13,072,986</u>

Note G – Net Assets Released From Restrictions

Net assets were released from donor and grant restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended December 31, 2022 and 2021 as follows:

	2022	2021
Purpose restriction accomplished:		
Grants		
Legal Services Corporation	\$ 3,800,666	\$ 2,956,609
West Virginia Fund for Law in the Public Interest, Inc.	48,164	40,144
West Virginia Department of Health and Human Resources	4,480,645	3,886,878
West Virginia Bureau of Senior Services	917,606	772,814
Department of Justice	372,984	591,036
Division of Justice and Community Services	2,327,995	2,534,542
Other grants and programs	1,294,154	918,192
In-kind contributions utilized under grant agreement	153,094	259,023
	<u>\$13,395,308</u>	<u>\$11,959,238</u>

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2022, with Comparative Totals
as of December 31, 2021

Note H – Grant and Other Funds Received in Advance

At December 31, 2022 and 2021, the Organization had received grant and other funds in advance of expenditures incurred under these activities. Since the funds are restricted for their usage, these amounts are recorded as a liability in the accompanying financial statements. The programs related to these funds are as follows:

	<u>2022</u>	<u>2021</u>
Legal Services corporation – Basic Field Grant	\$ 814,462	\$1,497,448
Legal Services Corporation – Technology Initiative	8,414	-0-
Cy Pres	1,888,047	1,859,757
Division of Justice and Community Services	37,601	33,772
Temporary Assistance for Needy Families	241,818	73,497
West Virginia Department of Health and Human Services (Domestic Violence Legal Services, Advocates and FAST)	460,901	240,944
WV Bureau of Senior Services (Ombudsmen)	-0-	113,455
Pallottine Foundation	128,664	264,885
Other Grants and Programs	146,911	634,881
	<u>\$3,726,818</u>	<u>\$4,718,639</u>

Note I – Client Escrow Funds

The Organization collects funds from clients that are held in escrow in a separate bank account until expended for litigation costs for the client or returned to the client, if necessary. These funds are restricted for this intended purpose. At December 31, 2022 and 2021, the client escrow funds totaled \$73,841 and \$78,655, respectively.

Note J – Summary of Funding

The Organization's operations were funded during the year ended December 31, 2022 and 2021 in part through grants from the Legal Services Corporation (LSC). The total amount received from the LSC basic field grant during the years ended December 31, 2022 and 2021 was \$2,952,060 and \$3,134,899, respectively. All LSC grant actions for the year ended December 31, 2022 expired at the end of the corresponding fiscal year.

The Organization received funds during the year from the Legal Services Corporation (LSC) Pro Bono Innovation Fund. The amount received from the fund during the years ended December 31, 2022 and 2021 was \$-0- and \$64,940, respectively.

During 2022, Legal Aid of West Virginia, Inc. received funds from the Legal Services Corporation (LSC) related to the COVID-19 pandemic. The amounts received during the years ended December 31, 2022 and 2021 were an emergency appropriation of \$-0- and \$308 and a COVID-19 Response grant in the amount of \$-0- and \$120,659, respectively.

The Organization received funds during the year from the Legal Services Corporation (LSC) Technology Initiative Transformation Fund. The amount expended during the years ended December 31, 2022 and 2021 was \$36,112 and \$56,559, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2022, with Comparative totals
as of December 31, 2021**

Note J – Summary of Funding (Continued)

During 2022 and 2021, Legal Aid of West Virginia, Inc. requested and expended funds in the amount of \$917,606 and \$772,814, respectively, from the West Virginia Bureau of Senior Services under the "Nursing Home Ombuds Program". These requested funds were comprised of \$204,028 and \$252,682 in federal funds and \$476,952 and \$520,132 in state funds for the years ended December 31, 2022 and 2021, respectively.

The Organization received \$33,500 and \$28,500 in restricted grants from The West Virginia Fund for Law in the Public Interest, Incorporated, for the years ended December 31, 2022 and 2021, respectively, which was designated and expended for law clerk wages, benefits, and related costs.

During the years ended December 31, 2022 and 2021, the Organization was involved in a contract with the West Virginia Department of Health and Human Resources, Bureau for Behavioral Health and Health Facilities (BHBF) to supervise and administer the Advocacy Project at two behavioral health institutions and the community. For the years ended December 31, 2022 and 2021, the funding requested pursuant to these contracts totaled \$700,818 and \$693,332, respectively.

The West Virginia Department of Health and Human Resources, Bureau for Behavioral Health and Health Facilities provided funding during the years ended December 31, 2022 and 2021 for family outreach and support and children's legal advocacy. During the years ended December 31, 2022 and 2021, the Organization received \$665,059 and \$626,851, respectively, in funds related to these programs.

The Organization received \$100,680 and \$580,864 in funding from the West Virginia State Bar's Interest on Lawyers Trust Accounts Program for the years ended December 31, 2022 and 2021, respectively. This grant was applied toward the cost of attorneys' salaries, benefits, and related costs and was accounted for as unrestricted net assets in the accompanying Statement of Activities.

During the years ended December 31, 2022 and 2021, the Organization received funding from local United Way organizations in Monongalia/Preston and Harrison counties in West Virginia. The funds are utilized to assist individuals in need of legal assistance that are the victims of domestic violence and to senior citizens related to issues involving consumer problems, tenancy matters, wills, etc. The amount received under these programs was \$56,000 and \$53,000 for the years ended December 31, 2022 and 2021, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2022, with Comparative totals
as of December 31, 2021**

Note J – Summary of Funding (Continued)

During the years ended December 31, 2022 and 2021, the Organization received funds from the United States Department of Justice to strengthen direct civil legal assistance available to domestic violence victims. The funding expended for the years ended December 31, 2022 and 2021 was \$183,114 and \$190,383, respectively.

During the years ended December 31, 2022 and 2021, the Organization received funds which were passed through the West Virginia Department of Health and Human Resources for the Temporary Assistance for Needy Families Block Grant. The funds were utilized to provide legal assistance to needy individuals who otherwise could not retain legal counsel. A total of \$1,711,099 and \$1,794,875 was received and expended for the years ended December 31, 2022 and 2021, respectively.

During the years ended December 31, 2022 and 2021, the Organization received funds which were passed through the West Virginia Department of Health and Human Resources for Domestic Violence Legal Services. The funding received and expended for the years ended December 31, 2022 and 2021 was \$796,022 and \$771,820, respectively.

The Organization received funds from the West Virginia Division of Justice and Community Services for the Civil Legal Services grant. The funding received and expended for the years ended December 31, 2022 and 2021 was \$1,679,790 and \$1,813,900, respectively.

The Organization received funds from the West Virginia Division of Justice and Community Services for the Victims of Crime Act - Victim Assistance to provide legal services to sexual assault, domestic violence and financial exploitation victims. Funding expended during the year ended December 31, 2022 and 2021 was \$604,168 and \$720,842, respectively.

During the year ended December 31, 2022, the Organization received from the U.S. Department of Justice funds which were passed through Marshall University for the office of Victims of Crime Assistance Discretionary Grant to provide services to children and youth who are victimized as a result of the opioid crises. The total funding expended under this grant during the years ended December 31, 2022 and 2021 was \$4,178 and \$36,017, respectively.

The Organization received funds from the United States Department of Justice for the Legal Assistance for Victims to provide legal services to children and youth who are victimized as a result of the opioid crisis. The total funding expenses under this grant during the years ended December 31, 2022 and 2021 was \$-0- and \$216,809, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2022, with Comparative totals
as of December 31, 2021**

Note J – Summary of Funding (Continued)

During the years ended December 31, 2022, the Organization received funds from the West Virginia Department of Education to provide legal assistance to individuals recovering from substance use disorder. The total funding expended under this grant during the years ended December 31, 2022 and 2021 was \$233,966 and \$200,986, respectively.

The United States Department of Justice provided funding during the years ended December 31, 2022 and 2021 to provide legal help to caregivers of children victimized by the opioid crises. During the years ended December 31, 2022 and 2021, the Organization expended \$248,352 and \$145,136, respectively, related to this program.

During the years ended December 31, 2022 and 2021, the Organization received funds from Coventry Health Care of West Virginia, Inc. dba Aetna Better Health Virginia to provide civil legal services to eligible Medicaid members. Funds expended under this grant during the years ended December 31, 2022 and 2021 was \$156,025 and \$128,870, respectively.

Note K – Concentration of Credit Risk

The Organization receives a significant portion of its revenue from private contributions and federal and state grant programs. A material reduction in the level of support would have a significant impact on the Organization's programs and activities and its ability to continue as a going concern.

Additionally, the Organization holds cash in various accounts in a local bank. The Federal Deposit Insurance Corporation (FDIC) insures accounts to a maximum of \$250,000 per depositor. At December 31, 2022, aggregate amounts in these accounts in excess of the \$250,000 limit may not be insured.

Note L – Assets Transferred to Donor-Designated Fund

The Organization has a beneficial interest in the Legal Aid of West Virginia, Inc. Fund held with the Greater Kanawha Valley Foundation. The Organization, based upon the donor's designation, has granted the Greater Kanawha Valley Foundation variance power. The assets are not recorded in the Statement of Financial Position. The total amount held in the Legal Aid of West Virginia, Inc. Fund was \$120,800 and \$150,363 at December 31, 2022 and 2021, respectively. Distributions of \$5,601 and \$5,213 were received during the years ended December 31, 2022 and 2021, respectively, and recorded as unrestricted revenue in the accompanying statement of activities.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2022, with Comparative totals
as of December 31, 2021

Note M – Liquidity and Availability of Financial Assets

The following table reflects the Organization’s financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because they have been set aside for a specific program.

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$3,129,622	\$5,613,112
Client escrow funds	73,841	78,655
Grants and programs receivable	<u>3,214,877</u>	<u>2,354,780</u>
Financial assets, at year-end	<u>6,418,340</u>	<u>8,046,547</u>
Less those unavailable for general expenditure within one year, due to:		
Client trust deposits	73,841	78,655
Legal Services Corporation – Property	<u>6,153</u>	<u>7,269</u>
	<u>79,994</u>	<u>85,924</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$6,338,346</u>	<u>\$7,960,623</u>

Note N – Line of Credit

The Organization has a \$300,000 line of credit with Truist, of which \$-0- is outstanding as of December 31, 2022 and 2021. The interest rate on the line of credit is the lender’s prime rate, which is subject to change from time to time.

Supplementary Information

Legal Aid of West Virginia, Inc.
Schedule of Expenditures by Funding Sources
For the Year Ended December 31, 2022

	<u>Total</u>	<u>Legal Services Corp - Basic Field</u>	<u>Legal Services Corp - Pro Bono Innovation</u>	<u>Legal Services Corp - COVID-19 Response Grant</u>	<u>Legal Services Corp - Emergency Response Grant</u>	<u>Legal Services Corp - Technology Initiative Grant</u>	<u>Victims of Crime</u>	<u>Civil Legal Services</u>
Total Funding and Revenues	<u>\$13,466,950</u>	<u>\$3,630,476</u>	<u>\$130,092</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$36,112</u>	<u>\$604,168</u>	<u>\$1,679,790</u>
Expenditures								
Salaries and wages	\$ 8,448,736	\$2,453,995	\$ 90,327	\$ -0-	\$ -0-	\$20,214	\$432,306	\$ 763,902
Payroll taxes and employee benefits	3,000,960	769,795	34,294	-0-	-0-	7,883	159,277	312,176
Contract services	355,751	71,747	-0-	-0-	-0-	6,743	1,125	22,756
Travel and meetings	349,342	45,200	4,637	-0-	-0-	904	8,045	34,830
Consumables	281,584	100,755	138	-0-	0-	155	126	98,295
Telephone	187,640	21,479	-0-	-0-	-0-	-0-	92	50,515
Parking	44,123	8,014	3	-0-	-0-	-0-	2,651	6,626
Litigation expense	32,094	12,165	-0-	-0-	-0-	-0-	-0-	6,809
Depreciation	3,359	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Equipment costs	93,075	20,467	-0-	-0-	-0-	-0-	506	17,723
Occupancy	685,900	83,462	-0-	-0-	-0-	-0-	-0-	201,116
Other office expenses	432,332	34,397	693	-0-	-0-	213	40	135,124
Library	29,918	-0-	-0-	-0-	-0-	-0-	-0-	29,918
	<u>\$13,944,814</u>	<u>\$3,630,476</u>	<u>\$130,092</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$36,112</u>	<u>\$604,168</u>	<u>\$1,679,790</u>

Note: Schedule information does not reflect in-kind contributions received and equipment purchased by each program during the year and does not necessarily agree, by grant program, to the Statement of Activities since interest income and other donations may be included in this schedule that are not recorded as grant revenues in the Statement of Activities.

See independent auditor's report.

<u>Temporary Asst. For Needy Families</u>	<u>Kids Opioid</u>	<u>Department of Health Advocacy Program</u>	<u>Ombudsman and Transition Navigator</u>	<u>Interest on WV Lawyers Trust Account</u>	<u>Property, Resource Development and Donations</u>	<u>Other Grants and Programs</u>	<u>Domestic Violence</u>	<u>United Way</u>
<u>\$1,710,005</u>	<u>\$4,178</u>	<u>\$1,505,286</u>	<u>\$910,146</u>	<u>\$100,680</u>	<u>\$468,578</u>	<u>\$1,838,417</u>	<u>\$796,022</u>	<u>\$53,000</u>
\$1,137,025	\$ -0-	\$ 971,956	\$ 528,493	\$171,184	\$ 259,343	\$ 1,203,040	\$541,194	\$29,757
379,346	25	373,801	241,366	32,673	107,762	407,532	167,194	7,836
242	-0-	1,170	832	196,846	22	46,501	1,119	6,648
26,924	4,096	46,515	45,981	66,948	4,379	46,258	14,431	194
14,507	57	15,257	5,885	15,328	2,213	22,011	6,857	-0-
27,554	-0-	20,379	15,749	8,427	7,909	22,809	12,727	-0-
6,785	-0-	3,608	2,451	4,064	-0-	8,474	1,376	71
3,614	-0-	196	23	7	208	5,741	2,795	536
-0-	-0-	-0-	-0-	-0-	3,359	-0-	-0-	-0-
11,075	-0-	2,909	22,807	1,018	-0-	5,910	1,660	-0-
94,102	-0-	62,099	39,890	63,918	14,744	82,778	43,791	-0-
8,831	-0-	7,396	6,669	178,954	28,738	27,959	2,878	440
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>\$1,710,005</u>	<u>\$4,178</u>	<u>\$1,505,286</u>	<u>\$910,146</u>	<u>\$585,367</u>	<u>\$428,677</u>	<u>\$1,879,013</u>	<u>\$796,022</u>	<u>\$45,582</u>

Legal Aid of West Virginia, Inc.
Schedule of Indirect Costs
For the Year Ended December 31, 2022

Salaries	\$ 829,300
Payroll taxes and fringe benefits	142,847
Contract services	33,226
Travel and meetings	16,970
Computer costs	11,711
Telephone	2,094
Parking	5,746
Other office expenses	14,138
	<u>\$1,056,032</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Private Attorney Involvement Expenses
For the Year Ended December 31, 2022

Salaries and wages	\$166,825
Payroll taxes and employee benefits	63,098
Contract services	51,913
Donated services	135,825
Travel and training	9,218
Parking	1,185
Office and other expenses	7,044
	<u>\$435,108</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.

Schedule of Support, Revenue, Expenses and Changes in Net Assets

For the Year Ended December 31, 2022

	Legal Services Corp - Basic Field	Legal Services Corp - Pro Bono Innovation	Legal Services Corp - COVID-19 Response Grant	Legal Services Corp - Emergency Response Grant	Legal Services Corp - Technology Initiative Grant	Kids Opioid	Victims of Crime	Temporary Asst For Needy Families
Total Funding and Revenues	<u>\$3,770,287</u>	<u>\$130,092</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 36,112</u>	<u>\$ 4,178</u>	<u>\$604,168</u>	<u>\$1,711,099</u>
Expenditures								
Salaries and wages	\$2,453,995	\$ 90,327	\$ -0-	\$ -0-	\$ 20,214	\$ -0-	\$ 432,306	\$1,137,025
Payroll taxes	769,795	34,294	-0-	-0-	7,883	25	159,277	379,346
Contract services	71,747	-0-	-0-	-0-	6,743	-0-	1,125	242
Donated Services, Facilities	135,825	-0-	-0-	-0-	-0-	-0-	-0-	1,094
Travel and meetings	45,200	4,637	-0-	-0-	904	4,096	8,045	26,924
Consumables	100,755	138	-0-	-0-	155	57	126	14,507
Telephone	21,479	-0-	-0-	-0-	-0-	-0-	92	27,554
Parking	8,014	3	-0-	-0-	-0-	-0-	2,651	6,785
Litigation	12,165	-0-	-0-	-0-	-0-	-0-	-0-	3,614
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Equipment cost	29,467	-0-	-0-	-0-	-0-	-0-	506	11,075
Occupancy	83,462	-0-	-0-	-0-	-0-	-0-	-0-	94,102
Other office expenses	34,397	693	-0-	-0-	213	-0-	40	8,831
Library	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Expenditures	<u>3,766,301</u>	<u>130,092</u>	<u>-0-</u>	<u>-0-</u>	<u>36,112</u>	<u>4,178</u>	<u>604,168</u>	<u>1,711,099</u>
Purchase of Equipment	<u>3,986</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures and Purchase of Equipment	<u>3,770,287</u>	<u>130,092</u>	<u>-0-</u>	<u>-0-</u>	<u>36,112</u>	<u>4,178</u>	<u>604,168</u>	<u>1,711,099</u>
Total Changes in Net Assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Assets								
Beginning of Year	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
End of Year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Note: Program deficits in programs that have been completed will be absorbed by the unrestricted funds held by the Organization.

See independent auditor's report.

<u>Civil Legal Services</u>	<u>Domestic Violence</u>	<u>Dept. of Health Advocacy Program</u>	<u>Ombudsmen and Transition Navigator</u>	<u>Interest on Lawyers Trust Account</u>	<u>Resource Development and Other Programs</u>	<u>Total</u>	<u>Property and Equipment</u>	<u>Grand Total</u>
<u>\$1,679,790</u>	<u>\$796,197</u>	<u>\$1,505,286</u>	<u>\$926,146</u>	<u>\$ 100,680</u>	<u>\$2,381,497</u>	<u>\$13,645,532</u>	<u>\$ -0-</u>	<u>\$13,645,532</u>
763,902	541,194	971,956	528,493	17,184	1,492,140	8,448,736	-0-	8,448,736
312,176	167,194	373,801	241,366	32,673	523,130	3,000,960	-0-	300,960
22,756	1,119	1,170	832	196,846	53,171	355,751	-0-	355,751
-0-	175	-0-	16,000	-0-	25,488	178,582	-0-	178,582
34,830	14,431	46,515	45,981	66,948	50,831	349,342	-0-	349,342
98,295	6,857	15,257	5,885	15,328	24,224	281,584	-0-	281,584
50,515	12,727	20,379	15,749	8,427	30,718	187,640	-0-	187,640
6,626	1,376	3,608	2,451	4,064	8,545	44,123	-0-	44,123
6,809	2,795	196	23	7	6,485	32,094	-0-	32,094
-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,359	3,359
17,723	1,660	2,909	22,807	1,018	5,910	93,075	-0-	93,075
201,116	43,791	62,099	39,890	63,918	97,522	685,900	-0-	685,900
135,124	2,878	7,396	6,669	178,954	57,137	429,459	-0-	429,459
29,918	-0-	-0-	-0-	-0-	-0-	29,918	-0-	29,918
<u>1,679,790</u>	<u>796,197</u>	<u>1,505,286</u>	<u>926,146</u>	<u>585,367</u>	<u>2,375,30</u>	<u>14,120,037</u>	<u>3,359</u>	<u>14,123,396</u>
-0-	-0-	-0-	-0-	-0-	10,642	14,628	(14,628)	-0-
<u>1,679,790</u>	<u>796,197</u>	<u>1,505,286</u>	<u>926,146</u>	<u>585,367</u>	<u>2,385,943</u>	<u>14,134,665</u>	<u>(11,269)</u>	<u>14,123,396</u>
-0-	-0-	-0-	-0-	(484,687)	(4,446)	(489,133)	11,269	(477,864)
-0-	-0-	-0-	-0-	122,960	2,159,513	2,282,473	11,286	2,293,759
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(361,727)</u>	<u>\$2,155,067</u>	<u>\$ 1,793,340</u>	<u>\$22,555</u>	<u>\$ 1,815,895</u>

Legal Aid of West Virginia, Inc.

Schedule of BHHF Funding Status for Agreement Number G220697

Contract Year Ended September 30, 2022

<u>BHHF Account Number</u>	<u>Final BHHF Award</u>	<u>Deferred Revenue Sept. 30, 2021</u>	<u>Amount Earned and Billed</u>	<u>Deferred Revenue Sept. 30, 2022</u>	<u>Amount Not Billed</u>	<u>Amount Collected</u>
5074-2023-3152-099-3256-0000	\$ 75,438	\$-0-	\$ 75,438	\$-0-	\$-0-	\$ 75,438
8794-2023-2916-130-3285-0000	78,488	-0-	78,488	-0-	-0-	78,488
5074-2022-3162-099-3256-0000	226,313	-0-	226,313	-0-	-0-	226,313
8794-2022-2916-130-3285-0000	235,465	-0-	235,465	-0-	-0-	235,465
	<u>\$615,704</u>	<u>\$-0-</u>	<u>\$615,704</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$615,704</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G220697
For Grant Period Ended September 30, 2022

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$615,704</u>
Total Grant Receipts	<u>615,704</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	352,105
Fringe benefits	128,075
Supplies	9,236
Indirect costs	52,464
Other	<u>73,824</u>
Total Grant Expenditures	615,704
Fund Balance at December 31, 2021	<u>-0-</u>
Fund Balance at December 31, 2022 (Receipts-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G220328
For Grant Period Ended June 30, 2022

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$663,567</u>
Total Grant Receipts	<u>663,567</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	379,192
Fringe benefits	171,326
Supplies	6,688
Indirect costs	59,080
Other	<u>47,281</u>
Total Grant Expenditures	663,567
Fund Balance at December 31, 2021	<u>-0-</u>
Fund Balance at December 21, 2022 (Revenues-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G220192
For Grant Period Ended June 30, 2022

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$75,000</u>
Total Grant Receipts	<u>75,000</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	46,837
Fringe benefits	21,345
Indirect costs	6,818
Other	<u>-0-</u>
Total Grant Expenditures	75,000
Fund Balance at December 31, 2021	<u>-0-</u>
Fund Balance at December 31, 2022 (Revenue-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G220064
For Grant Period Ended June 30, 2022

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$810,000</u>
Total Grant Receipts	<u>810,000</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	491,938
Fringe benefits	163,733
Supplies	10,768
Contractual costs	6,434
Indirect costs	70,182
Other	<u>66,945</u>
Total Grant Expenditures	810,000
Fund Balance at December 31, 2021	<u>-0-</u>
Fund Balance at December 31, 2022 (Revenue-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

**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
Legal Aid of West Virginia, 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 Legal Aid of West Virginia, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Legal Aid of West Virginia, 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 Legal Aid of West Virginia, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Legal Aid of West Virginia, 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.

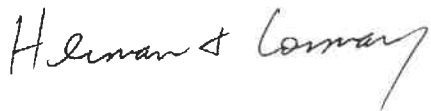
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Legal Aid of West Virginia, 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.



Charleston, West Virginia

June 30, 2023

**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
Legal Aid of West Virginia, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Legal Aid of West Virginia, Inc.’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Legal Aid of West Virginia, Inc.’s major federal programs for the year ended December 31, 2022. Legal Aid of West Virginia, 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, Legal Aid of West Virginia, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Legal Aid of West Virginia, 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 Legal Aid of West Virginia, Inc.’s compliance with the compliance requirements referred to above.

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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 Legal Aid of West Virginia, 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 Legal Aid of West Virginia, 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 Legal Aid of West Virginia, 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 Legal Aid of West Virginia, 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 Legal Aid of West Virginia, 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 Legal Aid of West Virginia, 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.



Charleston, West Virginia
June 30, 2023

Legal Aid of West Virginia, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
Legal Services Corporation			
Basic Field – General	09.449041	449041	\$3,635,046*
Pro Bono Innovation Grant	09.449041	449041	130,092
Technology Initiative Grant	09.449041	449041	<u>36,112</u>
Total Legal Services Corporation			<u>3,801,250</u>
U.S. Department of Health and Human Resources Passed Through the West Virginia Bureau of Senior Services			
Title IIIB Grants for Supportive Senior Services and Senior Centers	93.044	22222	122,866
	93.044	22122	<u>166,016</u>
			288,882
COVID Relief for Ombuds	41.15	22222A	<u>82,448</u>
Total Passed Through West Virginia Bureau of Senior Services			<u>371,330</u>
U.S. Department of Health and Human Resources Passed Through the Bureau for Children and Families			
Temporary Assistance for Needy Families	93.558	G220177	972,585
Temporary Assistance for Needy Families	93.558	G230089	<u>737,419**</u>
Total Passed Through the Bureau for Children and Families			<u>1,710,004</u>
U.S. Department of Health and Human Resources Passed Through the Office of Behavioral Health Services			
Block Grant for Community Health Services	93.958	G220697	96,292
Block Grant for Community Health Services	93.958	G230573	101,640
Block Grant for Community Health Services	93.958	G230326	<u>47,622</u>
Total Passed Through the Office of Behavioral Health Services			<u>245,554</u>
Total U.S. Department of Health and Human Resources			<u>2,326,888</u>
U.S. Department of Justice			
Legal Assistance for Victims	16.524	2019-WL-AX-0001	183,114
Crime Victim Assistance	16.582	2021-V3-GX-0154	<u>248,353</u>
			431,467
U.S. Department of Justice Passed Through Marshall University			
Crime Victim Assistance	16.582	2018-V3 -GX-006	<u>4,178</u>
U.S. Department of Justice Passed Through the West Virginia Division of Justice and Community Services			
Victims of Crime Act Victim Assistance	16.575	20-VA-015	346,147
Victims of Crime Act Victim Assistance	16.575	21-VA-015	174,129
Victims of Crime Act Victim Assistance	16.575	23-SVA-040	<u>83,642</u>
Total Passed Through West Virginia Division of Justice and Community Services			<u>603,918</u>
Total U.S. Department of Justice			<u>1,039,563</u>

Legal Aid of West Virginia, Inc.
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2022

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
Veteran's Administration			
Passed through WV Community Action Partnership			
Supportive Services for Veterans Families	64.033	n/a	<u>68,286</u>
Total passed through WV Community Action Partnership			<u>68,286</u>
U.S. Department of Treasury			
Passed through WV Housing Development Fund			
MRAP	21.023	92261031	<u>611,993</u>
Total Passed through WV Housing Development Fund			<u>611,993</u>
Total Expenditures of Federal Awards			<u>\$7,847,980</u>

*Includes in-kind expenses of \$135,825

** Includes in-kind expenses of \$1,094

Legal Aid of West Virginia, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Legal Aid of West Virginia, Inc. under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements, for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Legal Aid of West Virginia, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Legal Aid of West Virginia, Inc.

Note B – Summary of Significant Accounting Policies

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.

Additionally, pass-through entities identifying numbers are presented where available.

Legal Aid of West Virginia, Inc. has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Legal Aid of West Virginia, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- Material weakness identified? ___ Yes x No
- Significant deficiencies identified? ___ Yes x None
Reported
- Noncompliance material to financial statements notes? ___ Yes x No

Federal Awards

Internal control over major programs:

- Material weakness identified? ___ Yes x No
- Significant deficiencies identified? ___ Yes x None
Reported

Type of auditor’s report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ___ Yes x No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
09.449041	Legal Services Corporation

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ___ Yes x No

Legal Aid of West Virginia, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.