

Legal Aid of West Virginia, Inc.

LSC Grant Recipient Number 449041

**Financial Statements
and
Supplementary Information**

December 31, 2023

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, 2023, 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, 2023, 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 private attorney involvement expenses, schedule of support, revenue, expenses and changes in net assets, schedule of BHHF funding status for agreement number G230573, and schedules of grant receipts and expenditures 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 schedule of expenditures of federal awards, schedule of expenditures by funding sources, schedule of private attorney involvement expenses, schedule of support, revenue, expenses and changes in net assets, schedule of BHHF funding status for agreement number G230573, and schedules of grant receipts and expenditures 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 11, 2024, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Charleston, West Virginia
June 11, 2024

Legal Aid of West Virginia, Inc.

Statement of Financial Position

**December 31, 2023, with Comparative Totals
as of December 31, 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$3,081,468	\$3,129,622
Client escrow funds	77,607	73,841
Grants and programs receivable	4,831,728	3,214,877
Prepaid expenses	45,541	2,600
Furniture and equipment, net	18,219	22,554
Right of use assets, net	<u>606,221</u>	<u>783,746</u>
Total Assets	<u>\$8,660,784</u>	<u>\$7,227,240</u>
Liabilities		
Accounts payable	\$ 74,857	\$ 112,286
Accrued taxes and withholdings	272,299	566,705
Client trust deposits	77,607	73,841
Accrued payroll and annual leave	222,360	147,949
Grant and other funds received in advance	2,891,147	3,726,818
Lease liability	<u>606,221</u>	<u>783,746</u>
Total Liabilities	<u>4,144,491</u>	<u>5,411,345</u>
Net Assets		
Without donor restrictions	4,511,523	1,809,742
With donor restrictions		
Legal Services Corporation-property	<u>4,770</u>	<u>6,153</u>
Total with donor restrictions	<u>4,770</u>	<u>6,153</u>
Total Net Assets	<u>4,516,293</u>	<u>1,815,895</u>
Total Liabilities and Net Assets	<u>\$8,660,784</u>	<u>\$7,227,240</u>

See notes to financial statements.

Legal Aid of West Virginia, Inc.

Statement of Activities

For the Year Ended December 31, 2023, with Comparative Totals
for the Year Ended December 31, 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains, and Other Support				
Grants				
Legal Services Corporation-Basic Field	\$ -0-	\$3,488,518	\$3,488,518	\$ 3,634,462
Legal Services Corporation-Pro Bono Innovation Trans.	-0-	235,328	235,328	130,092
Legal Services Corporation-Technology Initiative Grant	-0-	23,709	23,709	36,112
US Department of Justice	-0-	216,336	216,336	372,984
West Virginia Fund for Law in the Public Interest, Inc.	-0-	36,750	36,750	48,164
West Virginia Department of Health and Human Resources	-0-	4,627,332	4,627,332	4,480,645
West Virginia Bureau of Senior Services	-0-	819,584	819,584	917,606
WV Division of Justice and Community Services	-0-	1,555,508	1,555,508	2,327,995
United Way	-0-	29,333	29,333	81,488
West Virginia State Bar	-0-	12,151	12,151	5,938
Other grants	-0-	2,176,048	2,176,048	1,003,982
Interest on Lawyers Trust Account	-0-	702,085	702,085	100,680
Interest	6,895	-0-	6,895	319
Resource development	140,431	411,366	551,797	314,346
Other contributions and revenues-non LSC	2,577,482	-0-	2,577,482	12,137
In-kind contributions	24,975	125,713	150,688	178,582
Net assets released from restrictions				
Satisfaction of grant activities	14,334,048	(14,334,048)	-0-	-0-
Satisfaction of program and time requirements	127,096	(127,096)	-0-	-0-
Total Revenues, Gains, and Other Support	<u>17,210,927</u>	<u>(1,383)</u>	<u>17,209,544</u>	<u>13,645,532</u>
Expenses and Losses				
Grants				
Legal Services Corporation-Basic Field	3,488,518	-0-	3,488,518	3,634,462
Legal Services Corporation-Pro Bono Innovation Trans.	235,328	-0-	235,328	130,092
Legal Services Corporation-Technology Initiative Grant	23,709	-0-	23,709	36,112
US Department of Justice	216,336	-0-	216,336	372,984
West Virginia Fund for Law in the Public Interest, Inc.	36,750	-0-	36,750	48,164
West Virginia Department of Health and Human Resources	4,627,332	-0-	4,627,332	4,480,645
West Virginia Bureau of Senior Services	819,584	-0-	819,584	917,606
WV Division of Justice and Community Services	1,555,508	-0-	1,555,508	2,327,995
United Way	29,333	-0-	29,333	81,488
West Virginia State Bar	12,151	-0-	12,151	5,938
Other grants	2,814,833	-0-	2,814,833	1,006,855
Interest on Lawyers Trust Account	411,882	-0-	411,882	585,367
Fundraising	82,859	-0-	82,859	313,747
Depreciation	4,335	-0-	4,335	3,359
In-kind expenses	150,688	-0-	150,688	178,582
Total Expenses and Losses	<u>14,509,146</u>	<u>-0-</u>	<u>14,509,146</u>	<u>14,123,396</u>
Change in Net Assets	2,701,781	(1,383)	2,700,398	(477,864)
Net Assets, Beginning of Year	<u>1,809,742</u>	<u>6,153</u>	<u>1,815,895</u>	<u>2,293,759</u>
Net Assets, End of Year	<u>\$ 4,511,523</u>	<u>\$ 4,770</u>	<u>\$ 4,516,293</u>	<u>\$ 1,815,895</u>

See notes to financial statements.

Legal Aid of West Virginia, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2023, with Comparative Totals
for the Year Ended December 31, 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 2,700,398	\$ (477,864)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	4,335	3,359
(Increase) decrease in grants and programs receivable	(1,616,851)	(860,097)
(Increase) decrease in prepaid expenses	(42,941)	24,800
(Increase) decrease in right of use asset	177,525	-0-
Increase (decrease) in accounts payable	(37,429)	(559,138)
Increase (decrease) in accrued taxes and withholdings	(294,406)	391,892
Increase (decrease) in accrued payroll and annual leave	74,411	8
Increase (decrease) in grant and other funds received in advance	(835,671)	(991,821)
Increase (decrease) in lease liability	<u>(177,525)</u>	<u>-0-</u>
Net Cash (Used In) Provided By Operating Activities	<u>(48,154)</u>	<u>(2,468,861)</u>
Cash Flows From Investing Activities	<u>-0-</u>	<u>(14,629)</u>
Cash Flows From Financing Activities	<u>-0-</u>	<u>-0-</u>
Net (Decrease) Increase in Cash	(48,154)	(2,483,490)
Cash, Beginning of Year	<u>3,129,622</u>	<u>5,613,112</u>
Cash, End of Year	<u>\$ 3,081,468</u>	<u>\$ 3,129,622</u>

See notes to financial statements.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2023, with Comparative Totals
as of December 31, 2022**

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, 2023, with Comparative Totals
as of December 31, 2022

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, 2023 and 2022 are classified in the accompanying financial statements as follows:

<u>December 31, 2023</u>	<u>LSC Property</u>	<u>Other Funds</u>	<u>Total</u>
Furniture and equipment	\$30,522	\$ 26,863	\$ 57,385
Leasehold improvements	9,844	77,039	86,883
Law library	<u>47,809</u>	<u>-0-</u>	<u>47,809</u>
	88,175	103,902	192,077
Less accumulated depreciation	<u>78,037</u>	<u>95,821</u>	<u>173,858</u>
	<u>\$10,138</u>	<u>\$ 8,081</u>	<u>\$ 18,219</u>
<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>95,821</u>	<u>173,858</u>
	<u>\$10,138</u>	<u>\$ 8,080</u>	<u>\$ 18,218</u>

Depreciation expense for each of the years ended December 31, 2023 and 2022 was \$4,335 and \$3,359, 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, 2023, with Comparative Totals
as of December 31, 2022**

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, 2023, the tax years that remain subject to examination begin with 2020. Tax returns for 2020, 2021, 2022, and 2023 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

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, 2022, 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 11, 2024, 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, 2023, with Comparative Totals
as of December 31, 2022

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>2023</u>	<u>2022</u>
Operating Leases		
Operating lease right-of-use-assets	<u>\$606,221</u>	<u>\$783,746</u>
Operating lease liabilities:		
Current portion	\$177,302	\$177,525
Long term, less current portion	<u>428,919</u>	<u>606,221</u>
Total	<u>\$606,221</u>	<u>\$783,746</u>

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

Weighted Average Remaining Lease Term

Operating leases 4 years

Weighted Average Discount Rate

Operating leases 4.0%

<u>Year Ended</u>	<u>Amount</u>
2024	\$177,302
2025	144,007
2026	122,558
2027	103,633
2028	55,133
Thereafter	<u>3,588</u>
	<u>\$606,221</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, 2023 and 2022 was \$715,175 and \$625,684, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2023, with Comparative Totals
as of December 31, 2022**

Note C – In-Kind Revenues and Expenses

During the years ended December 31, 2023 and 2022, 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, 2023 and 2022, the Organization received contributions totaling \$150,668 and \$178,582, respectively, related to these items.

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 years ended December 31, 2023 and 2022, the Organization expended 12.8% and 12.6%, 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, 2023 and 2022, the Organization implemented a match up to 2%, respectively, for employees who contribute to their own plan. During the years ended December 31, 2023 and 2022, the Organization contributed \$812,388 and \$738,762, respectively, on behalf of employees related to the plan.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2023, with Comparative Totals
as of December 31, 2022

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, 2023, with comparative totals as of December 31, 2022 are as follows:

	2023				2022
	<u>Legal Services Corporation</u>	<u>Other Programs</u>	<u>Supporting Services</u>	<u>Totals</u>	<u>Totals</u>
Salaries and wages	\$2,249,506	\$5,876,528	\$169,359	\$ 8,295,393	\$ 8,448,736
Payroll taxes and employee benefits	1,007,955	2,428,633	47,927	3,484,515	3,000,960
Contract services	98,299	151,703	69,025	319,027	355,751
Donated Services, Facilities	117,410	33,278	-0-	150,688	178,582
Travel and meetings	81,874	304,451	47,138	433,463	349,342
Office and consumables	32,358	173,294	62,020	267,672	281,584
Telephone	43,332	138,445	6,995	188,772	187,640
Parking	12,851	33,899	4,254	51,004	44,123
Litigation	22,977	30,625	2,745	56,347	32,094
Depreciation	-0-	-0-	4,335	4,335	3,359
Equipment cost	5,378	32,266	2,854	40,498	93,075
Occupancy	147,814	538,879	109,646	796,339	685,900
Other office expenses	45,211	242,131	124,435	411,777	432,332
Library	-0-	9,063	253	9,316	29,918
	<u>\$3,864,965</u>	<u>\$9,993,195</u>	<u>\$650,986</u>	<u>\$14,509,146</u>	<u>\$14,123,396</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, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Purpose restriction accomplished:		
Grants		
Legal Services Corporation	\$ 3,747,555	\$ 3,800,666
US Department of Justice	216,336	372,984
West Virginia Fund for Law in Public Interest, Inc.	36,750	48,164
West Virginia Department of Health and Human Resources	4,627,332	4,480,645
West Virginia Bureau of Senior Services	819,584	917,606
Division of Justice and Community Service	1,555,508	2,327,995
Other grants and programs	3,332,366	1,294,154
In-kind contributions utilized under grant agreement	125,713	153,094
	<u>\$14,461,144</u>	<u>\$13,395,308</u>

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2023, with Comparative Totals
as of December 31, 2022**

Note H – Grant and Other Funds Received in Advance

At December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Legal Services Corporation – Basic Field Grant	\$ 725,459	\$ 814,462
Legal Services Corporation – Technology Initiative	3,482	8,414
Cy Pres	1,622,482	1,888,047
Division of Justice and Community Services	-0-	37,601
Temporary Assistance for Needy Families	229,262	241,818
West Virginia Department of Health and Human Resources (Domestic Violence Legal Services, Advocates and FAST)	9,349	460,901
WV Bureau of Senior Services (Ombudsmen)	19,126	-0-
Pallottine Foundation	25,308	128,664
Other Grants and Programs	256,679	146,911
	<u>\$2,891,147</u>	<u>\$3,726,818</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, 2023 and 2022, the client escrow funds totaled \$77,607 and \$73,841, respectively.

Note J – Summary of Funding

The Organization's operations were funded during the year ended December 31, 2023 and 2022 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, 2023 and 2022 was \$3,395,116 and \$2,952,060, respectively. All LSC grant actions for the year ended December 31, 2023 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, 2023 and 2022 was \$212,879 and \$-0-, 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, 2023 and 2022 was \$18,210 and \$36,112, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2023, with Comparative totals
as of December 31, 2022**

Note J – Summary of Funding (Continued)

During 2023 and 2022, Legal Aid of West Virginia, Inc. requested and expended funds in the amount of \$819,584 and \$917,606, respectively, from the West Virginia Bureau of Senior Services under the "Nursing Home Ombuds Program". These requested funds were comprised of \$224,693 and \$204,028 in federal funds and \$594,891 and \$476,952 in state funds for the years ended December 31, 2023 and 2022, respectively.

The Organization received \$36,750 and \$33,500 in restricted grants from The West Virginia Fund for Law in the Public Interest, Incorporated, for the years ended December 31, 2023 and 2022, respectively, which was designated and expended for law clerk wages, benefits, and related costs.

During the years ended December 31, 2023 and 2022, the Organization was involved in a contract with the West Virginia Department of Health and Human Resources, Bureau for Behavioral Health and Health Facilities (BHHF) to supervise and administer the Advocacy Project at two behavioral health institutions and the community. For the years ended December 31, 2023 and 2022, the funding requested pursuant to these contracts totaled \$752,258 and \$700,818, 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, 2023 and 2022 for family outreach and support and children's legal advocacy. During the years ended December 31, 2023 and 2022, the Organization received \$902,965 and \$665,059, respectively, in funds related to these programs.

The Organization received \$702,085 and \$100,680 in funding from the West Virginia State Bar's Interest on Lawyers Trust Accounts Program for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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 \$29,333 and \$56,000 for the years ended December 31, 2023 and 2022, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2023, with Comparative totals
as of December 31, 2022**

Note J – Summary of Funding (Continued)

During the years ended December 31, 2023 and 2022, 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 \$1,906,230 and \$1,711,099 was received and expended for the years ended December 31, 2023 and 2022, respectively.

During the years ended December 31, 2023 and 2022, 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, 2023 and 2022 was \$765,243 and \$796,022, 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, 2023 and 2022 was \$948,919 and \$1,679,790, 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, 2023 and 2022 was \$606,605 and \$604,168, respectively.

During the year ended December 31, 2023, 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, 2023 and 2022 was \$-0- and \$4,178, respectively.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2023, with Comparative totals
as of December 31, 2022**

Note J – Summary of Funding (Continued)

During the years ended December 31, 2023, 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, 2023 and 2022 was \$292,162 and \$233,966, respectively.

The United States Department of Justice provided funding during the years ended December 31, 2023 and 2022 to provide legal help to caregivers of children victimized by the opioid crises. During the years ended December 31, 2023 and 2022, the Organization expended \$213,734 and \$248,352, respectively, related to this program.

During the years ended December 31, 2023 and 2022, 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, 2023 and 2022 was \$163,385 and \$156,025, 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, 2023, 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 \$128,557 and \$120,800 at December 31, 2023 and 2022, respectively. Distributions of \$5,735 and \$5,601 were received during the years ended December 31, 2023 and 2022, respectively, and recorded as unrestricted revenue in the accompanying statement of activities.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2023, with Comparative totals
as of December 31, 2022**

Note M – Liquidity and Availability of Financial Assets

The following table reflects the Organization's financial assets as of December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$3,081,468	\$3,129,622
Client escrow funds	77,607	73,841
Grants and programs receivable	<u>4,831,728</u>	<u>3,214,877</u>
Financial assets, at year-end	<u>7,990,803</u>	<u>6,418,340</u>
Less those unavailable for general expenditure within one year, due to:		
Client trust deposits	77,607	73,841
Legal Services Corporation – Property	<u>4,770</u>	<u>6,153</u>
	<u>82,377</u>	<u>79,994</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$7,908,426</u>	<u>\$6,338,346</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, 2023 and 2022. 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, 2023

	<u>Total</u>	<u>Legal Services Corp - Basic Field</u>	<u>Legal Services Corp - Pro Bono Innovation</u>	<u>Legal Corp - Technology Initiative Grant</u>	<u>Victims of Crime</u>	<u>Civil Legal Services</u>
Total Funding and Revenues	<u>\$17,058,856</u>	<u>\$3,488,518</u>	<u>\$235,328</u>	<u>\$23,709</u>	<u>\$606,605</u>	<u>\$948,919</u>
Expenditures						
Salaries and wages	\$ 8,295,393	2,076,643	157,353	15,510	441,719	508,754
Payroll taxes and	3,484,515	935,348	67,102	5,505	152,589	220,854
Contract services	319,027	96,477	-0-	1,822	-0-	11,462
Travel and meetings	433,463	71,697	9,311	866	9,988	12,741
Consumables	267,672	31,952	406	-0-	-0-	37,837
Telephone	188,772	43,331	-0-	1	-0-	23,875
Parking	51,004	12,457	389	5	2,134	3,321
Litigation	56,347	22,818	159	-0-	164	2,326
Depreciation	4,335	-0-	-0-	-0-	-0-	-0-
Equipment costs	40,498	5,378	-0-	-0-	-0-	14,666
Occupancy	796,339	147,814	-0-	-0-	-0-	84,135
Other office expenses	411,777	44,603	608	-0-	11	19,948
Library	9,316	-0-	-0-	-0-	-0-	9,000
	<u>\$14,358,458</u>	<u>\$3,488,518</u>	<u>\$235,328</u>	<u>\$23,709</u>	<u>\$606,605</u>	<u>\$948,919</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>Department of Health Advocacy Program</u>	<u>Ombudsman and Transition Navigator</u>	<u>Interest on 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>\$1,910,230</u>	<u>\$1,969,576</u>	<u>\$827,367</u>	<u>\$702,085</u>	<u>\$3,080,562</u>	<u>\$2,471,381</u>	<u>\$765,243</u>	<u>\$29,333</u>
\$1,161,988	\$1,204,772	\$ 547,285	\$ (59,749)	\$ 169,359	\$1,535,535	\$500,229	\$35,995
485,098	492,425	210,404	115,275	47,927	574,979	165,360	11,649
8,751	7,296	1,664	83,986	69,025	14,264	7,777	16,503
54,419	80,555	24,811	35,901	47,138	71,034	14,477	525
22,309	29,617	26,659	24,889	62,020	23,130	8,853	-0-
28,890	29,668	3,465	13,220	6,995	29,082	10,245	-0-
8,428	6,149	354	2,212	4,254	9,829	1,472	-0-
7,675	32	2	3,458	2,745	11,250	4,158	1,560
-0-	-0-	-0-	-0-	4,335	-0-	-0-	-0-
4,504	4,332	360	1,032	2,854	5,208	2,164	-0-
111,821	102,826	8,633	71,223	109,646	118,215	42,026	-0-
16,347	11,904	3,730	120,372	124,435	61,143	8,482	194
-0-	-0-	-0-	63	253	-0-	-0-	-0-
<u>\$1,910,230</u>	<u>\$1,969,576</u>	<u>\$827,367</u>	<u>\$411,882</u>	<u>\$650,986</u>	<u>\$2,453,669</u>	<u>\$765,243</u>	<u>\$66,426</u>

Legal Aid of West Virginia, Inc.
Schedule of Private Attorney Involvement Expenses
For the Year Ended December 31, 2023

Salaries and wages	\$281,804
Payroll taxes and employee benefits	91,422
Contract services	48,204
Travel and training	6,281
Parking	1,117
Office and other expenses	4,858
Donated services, facilities	<u>150,688</u>
	<u>\$584,374</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, 2023

	<u>Legal Services Corp - Basic Field</u>	<u>Legal Services Corp - Pro Bono Innovation</u>	<u>Legal Services Corp - Technology Initiative Grant</u>	<u>Victims of Crime</u>	<u>Civil Legal Services</u>	<u>Temporary Asst For Needy Families</u>
Total Funding and Revenues	<u>\$3,605,928</u>	<u>\$235,328</u>	<u>\$ 23,709</u>	<u>\$606,605</u>	<u>\$948,919</u>	<u>\$1,912,593</u>
Expenditures						
Salaries and wages	\$2,076,643	\$157,353	\$15,510	\$441,719	\$508,754	\$1,161,988
Payroll taxes	935,348	67,102	5,505	152,589	220,854	485,098
Contract services	96,477	-0-	1,822	-0-	11,462	8,751
Donated services, facilities	117,410	-0-	-0-	-0-	-0-	2,363
Travel and meetings	71,697	9,311	866	9,988	12,741	54,419
Consumables	31,952	406	-0-	-0-	37,837	22,309
Telephone	43,331	-0-	1	-0-	23,875	28,890
Parking	12,457	389	5	2,134	3,321	8,428
Litigation	22,818	159	-0-	164	2,326	7,675
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-
Equipment cost	5,378	-0-	-0-	-0-	14,666	4,504
Occupancy	147,814	-0-	-0-	-0-	84,135	111,821
Other office expenses	44,603	608	-0-	11	19,948	16,347
Library	-0-	-0-	-0-	-0-	9,000	-0-
Total Expenditures	<u>3,605,928</u>	<u>235,328</u>	<u>23,709</u>	<u>606,605</u>	<u>948,919</u>	<u>1,912,593</u>
Purchase of Equipment	<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>3,605,928</u>	<u>235,328</u>	<u>23,709</u>	<u>606,605</u>	<u>948,919</u>	<u>1,912,593</u>
Total Changes in Net Assets	<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>
End of Year	<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>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>Domestic Violence</u>	<u>Total</u>	<u>Property and Equipment</u>	<u>Grand Total</u>
<u>\$1,969,576</u>	<u>\$827,367</u>	<u>\$702,085</u>	<u>\$5,606,251</u>	<u>\$771,183</u>	<u>\$17,209,544</u>	<u>\$ -0-</u>	<u>\$17,209,544</u>
\$1,204,772	\$547,285	\$ (59,749)	\$1,740,889	\$500,229	\$ 8,295,393	\$ -0-	\$ 8,295,393
492,425	210,404	115,275	634,555	165,360	3,484,515	-0-	3,484,515
7,296	1,664	83,986	99,792	7,777	319,027	-0-	319,027
-0-	-0-	-0-	24,975	5,940	150,688	-0-	150,688
80,555	24,811	35,901	118,697	14,477	433,463	-0-	433,463
29,617	26,659	24,889	85,150	8,853	267,672	-0-	267,672
29,668	3,465	13,220	36,077	10,245	188,772	-0-	188,772
6,149	354	2,212	14,083	1,472	51,004	-0-	51,004
32	2	3,458	15,555	4,158	56,347	-0-	56,347
-0-	-0-	-0-	-0-	-0-	-0-	4,335	4,335
4,332	360	1,032	8,062	2,164	40,498	-0-	40,498
102,826	8,633	71,223	227,861	42,026	796,339	-0-	796,339
11,904	3,730	120,372	185,772	8,482	411,777	-0-	411,777
-0-	-0-	63	253	-0-	9,316	-0-	9,316
<u>1,969,576</u>	<u>827,367</u>	<u>411,882</u>	<u>3,191,721</u>	<u>771,183</u>	<u>14,504,811</u>	<u>4,335</u>	<u>14,509,146</u>
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>1,969,576</u>	<u>827,367</u>	<u>411,882</u>	<u>3,191,721</u>	<u>771,183</u>	<u>14,504,811</u>	<u>4,335</u>	<u>14,509,146</u>
-0-	-0-	290,203	2,414,530	-0-	2,704,733	(4,335)	2,700,398
-0-	-0-	(361,727)	2,155,067	-0-	1,793,340	22,555	1,815,895
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (71,524)</u>	<u>\$4,569,597</u>	<u>\$ -0-</u>	<u>\$ 4,498,073</u>	<u>\$18,220</u>	<u>\$ 4,516,293</u>

Legal Aid of West Virginia, Inc.

Schedule of BHHF Funding Status for Agreement Number G230573

Contract Year Ended September 30, 2023

<u>BHHF Account Number</u>	<u>Final BHHF Award</u>	<u>Deferred Revenue Sept. 30, 2022</u>	<u>Amount Earned and Billed</u>	<u>Deferred Revenue Sept. 30, 2023</u>	<u>Amount Not Billed</u>	<u>Amount Collected</u>
5074-2024-0511-3162-3256-4230	\$ 154,386	\$-0-	\$ 154,386	\$-0-	\$-0-	\$ 154,386
5074-2023-0511-3162-3256-4230	295,000	-0-	295,000	-0-	-0-	295,000
8974-2024-0506-2916-3285-3885	74,952	-0-	74,952	-0-	-0-	74,952
8794-2023-0506-2916-3285-3885	<u>385,993</u>	<u>-0-</u>	<u>385,993</u>	<u>-0-</u>	<u>-0-</u>	<u>385,993</u>
	<u>\$910,331</u>	<u>\$-0-</u>	<u>\$910,331</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$910,331</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G230573
For Grant Period Ended September 30, 2023

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$1,016,408</u>
Total Grant Receipts	<u>1,016,408</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	456,113
Fringe benefits	204,482
Supplies	25,696
Contractual costs	949
Other	146,765
Indirect costs	<u>76,326</u>
Total Grant Expenditures	910,331
Fund Balance at December 31, 2022	<u>-0-</u>
Fund Balance at December 31, 2023 (Receipts-Expenditures)	<u>\$ 106,077</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G230036
For Grant Period Ended June 11, 2024

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$860,000</u>
Total Grant Receipts	<u>860,000</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	504,437
Fringe benefits	169,304
Supplies	12,567
Contractual costs	1,785
Other	97,680
Indirect costs	<u>74,227</u>
Total Grant Expenditures	663,567
Fund Balance at December 31, 2022	<u>-0-</u>
Fund Balance at December 31, 2023 (Revenues-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G230274
For Grant Period Ended June 11, 2024

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$752,258</u>
Total Grant Receipts	<u>752,258</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	427,678
Fringe benefits	193,704
Supplies	7,581
Other	56,536
Indirect costs	<u>66,759</u>
Total Grant Expenditures	752,258
Fund Balance at December 31, 2022	<u>-0-</u>
Fund Balance at December 31, 2023 (Revenue-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G230267
For Grant Period Ended June 11, 2024

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$88,569</u>
Total Grant Receipts	<u>88,569</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	54,866
Fringe benefits	25,096
Supplies	523
Indirect costs	8,052
Other	<u>32</u>
Total Grant Expenditures	88,569
Fund Balance at December 31, 2022	<u>-0-</u>
Fund Balance at December 31, 2023 (Revenue-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G230326
For Grant Period Ended June 11, 2024

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$60,349</u>
Total Grant Receipts	<u>60,349</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	37,840
Fringe benefits	12,841
Supplies	567
Indirect costs	5,250
Other	<u>3,851</u>
Total Grant Expenditures	60,349
Fund Balance at December 31, 2022	<u>-0-</u>
Fund Balance at December 31, 2023 (Revenue-Expenditures)	<u>\$ -0-</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant G230089
For Grant Period Ended June 11, 2024

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$1,958,478</u>
Total Grant Receipts	<u>1,958,478</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Personnel	1,088,760
Fringe benefits	394,217
Supplies	35,557
Contractual costs	472
Indirect costs	161,892
Other	<u>212,775</u>
Total Grant Expenditures	1,893,673
Fund Balance at December 31, 2022	<u>-0-</u>
Fund Balance at December 31, 2023 (Revenue-Expenditures)	<u>\$ 64,805</u>

See independent auditor's report.

Legal Aid of West Virginia, Inc.
Schedule of Grant Receipts and Expenditures – Grant 22322
For Grant Period Ended June 11, 2024

Grant Receipts

<u>Revenue</u>	<u>Amount</u>
Amount received	<u>\$735,000</u>
Total Grant Receipts	<u>735,000</u>

Grant Expenditures

<u>Expenditures</u>	<u>Amount</u>
Contractual costs	22,948
Equipment	724
Fringe benefits	177,357
Personnel	461,031
Supplies	9,004
Travel and training	17,430
Indirect costs	<u>6,506</u>
Total Grant Expenditures	<u>\$735,000</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, 2023, 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 11, 2024.

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 11, 2024

**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, 2023. 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, 2023.

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questions costs as items 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Legal Aid of West Virginia, Inc.'s response to the compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Legal Aid of West Virginia, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

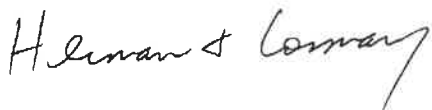
Report on Internal Control over Compliance

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 11, 2024

Legal Aid of West Virginia, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
Legal Services Corporation			
Basic Field – General	09.449041	449041	\$3,601,527*
Pro Bono Innovation Grant	09.449041	449041	235,328
Technology Initiative Grant	09.449041	449041	23,142
Total Legal Services Corporation			<u>3,859,997</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	93.044	22422	36,919
and Senior Centers	93.044	22322	187,774
			224,693
COVID Relief for Ombuds	41.15	22222A	52,765
Total Passed Through West Virginia Bureau of Senior Services			<u>277,458</u>
U.S. Department of Health and Human Resources Passed Through the Bureau for Children and Families			
Temporary Assistance for Needy Families	93.558	G240164	752,338**
Temporary Assistance for Needy Families	93.558	G230089	1,156,254
Total Passed Through the Bureau for Children and Families			<u>1,908,592</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	G230573	514,657
Block Grant for Community Health Services	93.958	G230326	12,727
Total Passed Through the Office of Behavioral Health Services			<u>527,384</u>
Total U.S. Department of Health and Human Resources			<u>2,713,434</u>
U.S. Department of Justice			
Legal Assistance for Victims	16.524	2019-WL-AX-0001	2,602
Crime Victim Assistance	16.582	2020-V3-GX-0154	213,734
			<u>216,336</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	23-SVA-040	606,605
Total Passed Through West Virginia Division of Justice and Community Services			<u>606,605</u>
Total U.S. Department of Justice			<u>822,941</u>

Legal Aid of West Virginia, Inc.
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2023

<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>110,386</u>
Total passed through WV Community Action Partnership			<u>110,386</u>
U.S. Department of Treasury			
Passed through WV Housing Development Fund			
MRAP	21.023	92261031	<u>880,895</u>
Total Passed through WV Housing Development Fund			<u>880,895</u>
Total Expenditures of Federal Awards			<u><u>\$8,387,653</u></u>

*Includes in-kind expenses of \$117,409

** Includes in-kind expenses of \$2,362

Legal Aid of West Virginia, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

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, 2023. 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, 2023

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? x Yes ___ 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)? x Yes ___ No

Identification of major programs:

CFDA Number(s)

09.449041
21.023

Name of Federal Program or Cluster

Legal Services Corporation
Emergency Rental Assistance Program

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

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

Legal Aid of West Virginia, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2023

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

2023-001 Eligibility for Individuals

Criteria and Condition: Eligibility for individuals to participate in and receive services from the program should be determined by comparing the clients income to the appropriate poverty figures.

Context: During the testing of the case files, it was determined that the poverty level chart was not input correctly and four of the sixty cases selected exceeded two hundred percent of the poverty level without appropriate documentation as to why services were provided for the client that exceeded the maximum income requirement.

Cause: Controls were not in place to insure that the appropriate income levels for 2023 were in place and followed.

Effect: Due to the inappropriate income levels, all of the income calculations were incorrect for 2023.

Questioned Costs: Questioned cost was not determined since the services may have been provided even though the income level exceeded maximum with additional appropriate documentation.

Auditor's recommendation: We recommend the Organization establish controls going forward that when the income levels are keyed into the case system, the calculations are checked against the income level for individuals eligible for assistance provided by LSC.

View of Responsible Officials and Planned Corrective Actions: The recipient has developed controls to insure that all future income levels are correctly calculated according to the information provided by LSC. The recipient has contacted LSC and is working to correct the errors.