

Legal Aid of NorthWest Texas

Financial Report

December 31, 2020

C O N T E N T S

Page

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities	5
Statements of Functional Expenses.....	7
Statements of Cash Flows	9
Notes to Financial Statements.....	10
Supplementary Information	
Statements of Support, Revenues and Expenses – by Fund.....	23
Statements of Changes in Net Assets	35
Private Attorney Involvement – Schedule of Expenses	37
Basic Civil Legal Services (BCLS and BCLS PAI) – Schedule of Expenses.....	38
Crime Victims Civil Legal Services – Schedule of Revenues and Expenses	39
Legal Aid for Communities and Homeowners Community Redevelopment Program – Schedule of Revenues and Expenses	40
Legal Aid for Communities and Homeowners Foreclosure Prevention – Schedule of Revenues and Expenses	41
Legal Aid to Veterans – Schedule of Revenues and Expenses.....	42
Legal Aid to Veterans II – Extended Services – Schedule of Revenues and Expenses.....	43
Legal Aid to Survivors of Sexual Assault (LASSA) – Schedule of Revenues and Expenses	44
Legal Aid – Rural Areas & Rural Delivery Systems – Schedule of Revenues and Expenses.....	45
Legal Aid – Self-Help Expansion – Schedule of Revenues and Expenses	46
Legal Aid – Employment Intersect Criminal/ Civil Justice – Schedule of Revenues and Expenses.....	47
Legal Aid – Housing – Schedule of Revenues and Expenses	48
Corona Virus Relief – Schedule of Revenues and Expenses.....	49
JG-35 Award – Schedule of Revenues and Expenses.....	50

Federal and State Awards Section

Schedule of Expenditures of Federal Awards	51
Schedule of Expenditures of State Awards	52
Notes to the Schedule of Expenditures of Federal and State Awards	53
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	54
Independent Auditor’s Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance and UGMS	56
Schedule of Findings and Questioned Costs	59
Status of Prior Year Findings	62
Corrective Action Plan	63



Independent Auditor's Report

To the Board of Directors of
Legal Aid of NorthWest Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Legal Aid of NorthWest Texas (a non-profit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Aid of NorthWest Texas as of December 31, 2020 and 2019, and the changes in its net assets, its functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

CPAs AND ADVISORS | WEAVER.COM

The Board of Directors of
Legal Aid of NorthWest Texas

Emphasis of Matter

As discussed in Note 1, as of April 30, 2020, Legal Services Corporation (LSC) requires unexpended contract funds to be reflected as refundable advances on a prospective basis. Accordingly, during year ended December 31, 2020, LANWT changed their revenue recognition for these contract funds, and records LSC support as expended. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards are presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Governor's Office of Budget and Planning *Uniform Grant Management Standards*, which include the State of Texas Single Audit Circular (UGMS), and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary Information, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2021, on our consideration of Legal Aid of NorthWest Texas' 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 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 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 NorthWest Texas' internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
April 27, 2021

Financial Statements

Legal Aid of NorthWest Texas

Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (see Note 4)	\$ 12,443,275	\$ 4,900,933
Escrow funds - client deposits	7,893	2,187
Due from grantors	1,618,489	703,779
Accounts receivable - other	21,647	40,002
Contributions receivable - current portion	120,000	130,000
Prepaid expenses	<u>305,878</u>	<u>218,075</u>
Total current assets	14,517,182	5,994,976
NON CURRENT ASSETS		
Equipment, software and furniture	792,404	597,163
Accumulated depreciation	<u>(585,937)</u>	<u>(550,746)</u>
Equipment, software and furniture, net	206,467	46,417
Buildings	6,273,238	6,273,238
Accumulated depreciation	<u>(3,689,755)</u>	<u>(3,493,922)</u>
Buildings, net	2,583,483	2,779,316
Land	<u>474,875</u>	<u>474,875</u>
Total property and equipment	3,264,825	3,300,608
Contributions receivable - long-term portion, net	<u>114,576</u>	<u>229,152</u>
Total noncurrent assets	<u>3,379,401</u>	<u>3,529,760</u>
TOTAL ASSETS	<u><u>\$ 17,896,583</u></u>	<u><u>\$ 9,524,736</u></u>

The Notes to Financial Statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	2020	2019
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 743,423	\$ 1,623,315
Escrow funds - client deposits	7,893	2,187
Refundable advances (see Note 4)	11,850,367	2,047,299
Note payable - current portion	146,587	141,000
Total current liabilities	12,748,270	3,813,801
LONG-TERM LIABILITIES		
Note payable - long-term portion	1,394,257	1,540,844
Total long-term liabilities	1,394,257	1,540,844
NET ASSETS		
Without donor restrictions		
General	212,519	123,275
General - property	166,591	172,252
Total without donor restrictions	379,110	295,527
With donor restrictions		
Other grants and contributions	492,232	412,838
Contributions	234,576	359,152
Legal Services Corporation - grants	-	565,315
Legal Services Corporation - property	2,308,988	2,366,303
Other grants and contributions - property	339,150	170,956
Total with donor restrictions	3,374,946	3,874,564
Total net assets	3,754,056	4,170,091
TOTAL LIABILITIES AND NET ASSETS	\$ 17,896,583	\$ 9,524,736

Legal Aid of NorthWest Texas
 Statements of Activities
 Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions			2020 Total
		LSC	Non - LSC	Total	
REVENUES AND OTHER SUPPORT					
Grants and contracts	\$ -	\$ 7,259,145	\$ 15,503,882	\$ 22,763,027	\$ 22,763,027
Contributions	1,950,000	-	-	-	1,950,000
Attorney fees	-	-	-	-	-
Donated funds	600,170	-	33,119	33,119	633,289
Donated services	-	1,763,301	-	1,763,301	1,763,301
Interest income	14,688	2,398	-	2,398	17,086
Other income	1,726	-	-	-	1,726
Net assets released from restrictions	25,061,463	(9,647,474)	(15,413,989)	(25,061,463)	-
Total revenues and other support	27,628,047	(622,630)	123,012	(499,618)	27,128,429
EXPENSES					
Program services	24,124,381	-	-	-	24,124,381
Management and general	3,104,854	-	-	-	3,104,854
Fundraising	315,229	-	-	-	315,229
Total expenses	27,544,464	-	-	-	27,544,464
Changes in net assets	83,583	(622,630)	123,012	(499,618)	(416,035)
NET ASSETS, beginning of year	295,527	2,931,618	942,946	3,874,564	4,170,091
NET ASSETS, end of year	\$ 379,110	\$ 2,308,988	\$ 1,065,958	\$ 3,374,946	\$ 3,754,056

The Notes to Financial Statements are an integral part of these statements.

	Without Donor Restrictions	With Donor Restrictions			2019 Total
		LSC	Non - LSC	Total	
REVENUES AND OTHER SUPPORT					
Grants and contracts	\$ -	\$ 9,354,071	\$ 13,426,513	\$ 22,780,584	\$ 22,780,584
Attorney fees	-	21,136	-	21,136	21,136
Donated funds	732,526	-	166,655	166,655	899,181
Donated services	-	2,541,948	-	2,541,948	2,541,948
Interest income	47,963	15,317	-	15,317	63,280
Other income	-	5,134	-	5,134	5,134
Net assets released from restrictions	26,013,867	(12,438,084)	(13,575,783)	(26,013,867)	-
Total revenues and other support	26,794,356	(500,478)	17,385	(483,093)	26,311,263
EXPENSES					
Program services	23,364,729	-	-	-	23,364,729
Management and general	3,036,043	-	-	-	3,036,043
Fundraising	310,674	-	-	-	310,674
Total expenses	26,711,446	-	-	-	26,711,446
Changes in net assets	82,910	(500,478)	17,385	(483,093)	(400,183)
NET ASSETS, beginning of year	212,617	3,432,096	925,561	4,357,657	4,570,274
NET ASSETS, end of year	\$ 295,527	\$ 2,931,618	\$ 942,946	\$ 3,874,564	\$ 4,170,091

The Notes to Financial Statements are an integral part of these statements.

Legal Aid of NorthWest Texas
Statements of Functional Expenses
Years Ended December 31, 2020 and 2019

	2020			
	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Attorney salaries and wages	\$ 10,115,817	\$ 688,730	\$ -	\$ 10,804,547
Non-attorney salaries and wages	4,306,273	1,059,404	196,667	5,562,344
Payroll taxes	1,012,857	125,919	15,047	1,153,823
Fringe benefits	3,319,126	416,374	48,034	3,783,534
LSC carryover - salaries & benefits	565,315	-	-	565,315
Total personnel expenses	19,319,388	2,290,427	259,748	21,869,563
OTHER EXPENSES				
Legal consultants - donated	1,763,301	-	-	1,763,301
Contract services	289,159	253,011	14,722	556,892
Travel and training	123,633	39,752	1,706	165,091
Occupancy	1,125,756	43,657	4,268	1,173,681
Building interest	37,169	37,170	-	74,339
Purchases and materials	162,606	221,167	219	383,992
Wide area network	-	-	-	-
Equipment rentals	88,833	6,806	664	96,303
Equipment maintenance and repairs	24,400	32,812	12,625	69,837
Office supplies	86,020	37,833	3,903	127,756
Printing	13,309	190	2,778	16,277
Postage	48,731	4,076	2,817	55,624
Bank service charges	130	10,964	1,524	12,618
Telephone	644,479	51,949	5,623	702,051
Advertising	966	18,638	300	19,904
Insurance	69,737	5,787	592	76,116
Dues	53,089	7,409	3,740	64,238
Recruiting	2,797	13,954	-	16,751
Litigation	50,363	-	-	50,363
Miscellaneous	685	1,356	-	2,041
Total other expenses	4,585,163	786,531	55,481	5,427,175
Total expenses before depreciation	23,904,551	3,076,958	315,229	27,296,738
Depreciation	219,830	27,896	-	247,726
TOTAL EXPENSES	\$ 24,124,381	\$ 3,104,854	\$ 315,229	\$ 27,544,464

The Notes to Financial Statements are an integral part of these statements.

Legal Aid of NorthWest Texas
 Statements of Functional Expenses – Continued
 Years Ended December 31, 2020 and 2019

	2019			
	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Attorney salaries and wages	\$ 9,095,449	\$ 689,977	\$ -	\$ 9,785,426
Non-attorney salaries and wages	3,890,536	1,073,379	167,648	5,131,563
Payroll taxes	957,676	128,105	12,825	1,098,606
Fringe benefits	2,922,641	401,490	36,716	3,360,847
LSC carryover - salaries & benefits	932,986	-	-	932,986
Total personnel expenses	17,799,288	2,292,951	217,189	20,309,428
OTHER EXPENSES				
Legal consultants - donated	2,541,948	-	-	2,541,948
Contract services	317,831	255,505	25,623	598,959
Travel and training	263,826	143,875	5,290	412,991
Occupancy	1,008,135	51,792	-	1,059,927
Building interest	40,232	40,232	-	80,464
Purchases and materials	118,544	44,756	-	163,300
Wide area network	205,083	11,726	-	216,809
Equipment rentals	89,860	7,172	-	97,032
Equipment maintenance and repairs	32,211	34,787	3,916	70,914
Office supplies	136,756	58,505	41,475	236,736
Printing	9,866	12,718	9,826	32,410
Postage	63,219	7,357	1,300	71,876
Bank service charges	225	15,619	3,477	19,321
Telephone	273,240	21,824	120	295,184
Advertising	-	190	1,761	1,951
Insurance	71,617	5,272	-	76,889
Dues	48,632	6,493	697	55,822
Recruiting	3,250	16,479	-	19,729
Litigation	48,079	-	-	48,079
Miscellaneous	93	3,193	-	3,286
Total other expenses	5,272,647	737,495	93,485	6,103,627
Total expenses before depreciation	23,071,935	3,030,446	310,674	26,413,055
Depreciation	292,794	5,597	-	298,391
TOTAL EXPENSES	\$ 23,364,729	\$ 3,036,043	\$ 310,674	\$ 26,711,446

The Notes to Financial Statements are an integral part of these statements.

Legal Aid of NorthWest Texas
 Statements of Cash Flows
 Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (416,035)	\$ (400,183)
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	247,726	298,391
Changes in operating assets and liabilities, net		
Contributions receivable	124,576	170,960
Accounts receivable - other	18,355	(40,002)
Due from grantors	(914,710)	(293,488)
Prepaid expenses	(87,803)	(18,116)
Accounts payable and accrued liabilities	(879,892)	396,672
Refundable advances	9,803,068	941,032
	7,895,285	1,055,266
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(211,943)	-
	(211,943)	-
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(141,000)	(135,959)
	(141,000)	(135,959)
Net cash used in financing activities		
Change in cash and cash equivalents	7,542,342	919,307
CASH AND CASH EQUIVALENTS, beginning of year	4,900,933	3,981,626
CASH AND CASH EQUIVALENTS, end of year	\$ 12,443,275	\$ 4,900,933
SUPPLEMENTAL INFORMATION		
Interest paid	\$ 74,339	\$ 80,464

The Notes to Financial Statements are an integral part of these statements.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

Legal Aid of NorthWest Texas (LANWT) is a nonprofit corporation organized for the purpose of providing legal assistance in non-criminal matters to persons financially unable to afford legal services. Services are provided at 30 offices, which encompass 114 counties. Its mission is to ensure equal justice for people living in poverty through the provision of high quality legal representation and to further the ends of justice and improve the lives of low income people through the rule of the law.

Basis of Accounting

The financial statements of LANWT have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

LANWT is required to report information regarding its financial position according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets and revenues, other support, expenses, gains and losses are classified based on the existence or absence of donor-imposed stipulations. Accordingly, LANWT's net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Represent resources that are available for the support of operations.

Net assets with donor restrictions - Include grants, contributions and other program income expendable only for purposes specified or approved by the grantor or donor. Amount also includes amounts to be invested or held in perpetuity. As of December 31, 2020 and 2019, LANWT had no amounts in net assets with donor restrictions that are held in perpetuity.

Major Grants, Contracts and/or Allocation Support

The major funding sources for LANWT include Legal Services Corporation (LSC) and Texas Access to Justice Foundation (TAJF). These sources comprise more than 86% and 93% of the total grant funding received by LANWT for the years ended December 31, 2020 and 2019, respectively.

LSC, a not-for-profit corporation, administers the federal government's legal assistance program and provides continued support to LANWT through annual grants. During year ended December 31, 2019, LANWT recognized contract funds from LSC support ratably over the contract period. As of April 30, 2020, LSC requires unexpended contract funds to be reflected as refundable advances on a prospective basis, which is consistent with LANWT's other grant revenue recognition policies. Accordingly, during year ended December 31, 2020, LANWT recognized contract funds from LSC support as expended. In accordance with the terms of its grants from LSC, LANWT may retain unused funds for use in future periods, provided all grant conditions have been met and the carryforward has been approved by LSC.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Additionally, TAJF provides funding for the Basic Civil Legal Services Program (BCLS), the Crime Victims Civil Legal Services Grant (CVCLS) and smaller related grants including Legal Aid for Communities and Homeowners (LACH) funds. BCLS was established by the Supreme Court of Texas in compliance with state legislation relating to additional court filing fees imposed to provide basic civil legal services to the indigent. The CVCLS grant was established to provide victim-related civil legal services to victims of crime.

LSC, TAJF and other grantors may, at their discretion, request reimbursement for expenses or return of funds or both, as a result of non-compliance by LANWT with the terms of grants, contracts and allocations. In addition, if LANWT terminates its legal assistance activities, all unused funds are to be returned to the respective funding sources.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments, which are those with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Due from Grantors and Accounts Receivable - Other

LANWT evaluates the allowance for doubtful accounts related to amounts due from grantors and others based on prior experience, review of individual grants, existing economic conditions as well as other pertinent factors. At December 31, 2020 and 2019, LANWT considered amounts due from grantors and others to be fully collectible. Accordingly, no allowance is recorded.

Contributions Receivable

Contributions are recognized when the unconditional contribution is made or when the related conditions are met. Contributions receivable due in more than one year are discounted to net present value. Discounts are recorded in revenue during the year in which the discount is calculated. At December 31, 2020 and 2019, LANWT considered contributions receivable to be fully collectible. Accordingly, no allowance is recorded.

Property and Equipment

Property acquired with LSC, BCLS and CVCLS funds is considered to be owned by LANWT. However, the funding sources have a reversionary interest in the property as well as the right to determine the use of any proceeds from the sale of assets purchased with their respective funds.

Expenditures of property and equipment that exceed \$5,000 and that have a useful life of one year or more are capitalized at cost. Donated assets are capitalized and recorded at their fair value at the time of donation. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets.

The following useful lives have been assigned to the capitalized assets:

Buildings	30 years
Equipment, software and furniture	5 years

Legal Aid of NorthWest Texas

Notes to Financial Statements

Expense Allocations

In some cases, expenses are incurred which support the work performed under more than one grant, contract or maintenance of effort requirement. Such expenses are allocated among various funding sources as specified by the funding agreements or, in the absence of an agreement, on the basis which appears most reasonable. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of LANWT. Personnel expenses are allocated based on records of time and effort. Non-personnel expenses including occupancy (rent, utilities, janitorial and building maintenance), supplies, postage, telephone and insurance expenses are based on the salaries and wages of employees charged to the program for the respective month.

Donated Services

Contributed services that create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased are recorded as revenues in the Statement of Activities at the estimated fair value of the service. Attorneys and other professionals with specialized skills donate services to LANWT. The value of donated services is based upon an estimated average fee normally charged by the professionals rendering the services. The amounts recorded as donated services are based on actual time spent on assigned cases and legal clinics during the year. Donated services are recognized both as support and expense in the accompanying financial statements. Management estimates the fair value of donated professional or specialized services to be \$1,763,301 (11,845 hours) for 2020 and \$2,541,948 (17,138 hours) for 2019.

Income Taxes

LANWT is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, LANWT has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(2) of the Code.

Accounting principles generally accepted in the United States of America require LANWT to recognize in its financial statements the financial effects of a tax position if that position is more likely than not of being sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the position. Tax positions taken by LANWT have been reviewed, and management is of the opinion that material positions taken by LANWT would more likely than not be sustained by examination. Accordingly, LANWT has not recorded an income tax liability for uncertain tax benefits.

Financial Instruments

The fair value of other financial instruments including due from grantors, contributions receivable and refundable advances approximate their carrying values because the collection or payment period is relatively short or because the terms are similar to market terms.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, but are not limited to, value of donated services and depreciation and depreciable lives related to property and equipment. It is reasonably possible that these estimates may change in the near term.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), a comprehensive new standard that amends various aspects of existing accounting guidance for leases, including the recognition of a right of use asset and a lease liability for leases with duration greater than one year. The guidance is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. This standard can be implemented using a modified retrospective approach, under which provisions are applied to all applicable leases as of the beginning of the earliest period presented, or at the date of adoption with the recognition of a cumulative effect adjustment to the opening balance of net assets in the period of adoption. Early adoption is permitted. LANWT is currently evaluating the effect that the new standard will have on its financial statements; however, LANWT anticipates that upon adoption of the standard it will recognize additional assets and corresponding liabilities related to leases on its statement of financial position.

Note 2. Due from Grantors

Due from grantors consists of the excess of grant or contract expenses over amounts received from governmental and private agencies applicable to the period January 1 through December 31:

	2020	2019
Victims of Crime Act (VOCA)	\$ 720,972	\$ 286,788
District Attorneys Council Victims of Crime Act (DA-VOCA)	-	48,297
Office of Attorney General (OAG)	63,112	33,672
BCLS	-	168,806
LACH-Foreclosure Prevention	-	74,537
Low Income Taxpayers Clinic	32,883	10,502
Safe Haven of Tarrant County	7,997	-
CVCLS	32,755	7,546
TAJF Corona Virus Relief Funding	600,645	-
Emergency Solutions Grant	62,651	-
Statewide Disaster Recovery	30,755	73,631
Coronavirus Relief Fund Eviction Assistance	50,000	-
Crime Victim Assistance/Discretionary Grants	16,719	-
	\$ 1,618,489	\$ 703,779

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 3. Property and Equipment

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

	2020	2019
Buildings	\$ 6,273,238	\$ 6,273,238
Equipment, software and furniture	792,404	597,163
	7,065,642	6,870,401
Accumulated depreciation	(4,275,692)	(4,044,668)
	2,789,950	2,825,733
Land	474,875	474,875
	\$ 3,264,825	\$ 3,300,608
Total	\$ 3,264,825	\$ 3,300,608

Total depreciation expense was \$247,726 and \$298,391 for the year ended December 31, 2020 and 2019, respectively.

Note 4. Refundable Advances

Refundable advances consists of the excess of grant or contract amounts received from governmental and private agencies over expenses applicable to the period January 1 through December 31, as detailed below:

	2020	2019
LSC - Basic Field Grant	\$ 3,130,649	\$ -
LSC - Pro Bono Innovation	22,516	44,515
LSC - TIG	-	360
LSC - COVID-19 Response	236,562	-
BCLS	5,484,215	-
Equal Justice Works Fellowship	9,600	7,692
Tankersley Fellowship	11,900	15,170
LACH Community Redevelopment Program	551,595	219,218
LACH Foreclosure Prevention	132,976	-
Legal Aid to Veterans II - Extended Services	148,651	72,333
Legal Aid for Survivors of Sexual Assault	520,788	308,622
Legal Aid - Employment Intersect Criminal/Civil Justice	313,048	224,838
Legal Aid - Housing	249,716	254,889
Legal Aid - Self-Help Expansion	221,881	173,354
Legal Aid - Rural Areas & Rural Delivery Systems	653,575	703,787
TAJF Veterans Grant	11,802	17,708
Others	150,893	4,813
	\$ 11,850,367	\$ 2,047,299
	\$ 11,850,367	\$ 2,047,299

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 5. Note Payable

On December 20, 2007, LANWT entered into a \$3,000,000 promissory note with Splendora Cultural Education Facilities Finance Corporation for construction of the Fort Worth office. The note was then assigned to Frost National Bank. Effective December 19, 2015, the loan was refinanced for \$2,313,000 with an interest rate of 3.89% on a 15 year fixed rate mortgage. Payments of principal plus interest are due monthly through December 20, 2029, when the remaining unpaid principal shall become due and payable. Effective May 19, 2018, the interest rate changed to 4.52%.

The note is secured by a Deed of Trust on the building at 600 East Weatherford Street, Fort Worth, Texas, net revenues, and all accounts at Frost Bank.

	2020	2019
Balance of note as of December 31	\$ 1,540,844	\$ 1,681,844
Less current maturities	(146,587)	(141,000)
Long term maturities	\$ 1,394,257	\$ 1,540,844

The debt service requirements at December 31, 2020 are as follows:

Year Ending December 31,	
2021	\$ 146,587
2022	152,213
2023	158,054
2024	164,007
2025	170,413
Thereafter	749,570
Total	\$ 1,540,844

LANWT maintains fund accounting recordkeeping that allows for independent verification of the use of private funds for the costs associated with the stone for the Fort Worth building. As of December 31, 2020 and 2019, \$120,904 and \$110,573 has been attributed to the stone and has been charged to private funds.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 6. Net Assets

Net assets with donor restrictions include those assets whose use by the organization has been donor-restricted for a specified purpose.

Net assets with donor restrictions are restricted for the following purposes or time restrictions as of December 31, 2020 and 2019:

	2020	2019
LSC - property	\$ 2,308,988	\$ 2,366,303
IOLTA fund - property	149,703	165,840
Other donations - property	189,447	5,116
LSC - grants	-	565,315
Private donations	492,232	412,838
Time and purpose	234,576	359,152
Total net assets with donor restrictions	\$ 3,374,946	\$ 3,874,564

Releases from restriction were for the following grants and other purposes during the years ended December 31, 2020 and 2019:

	2020	2019
LSC	\$ 9,647,474	\$ 12,438,084
Veterans	567,079	238,612
Community Redevelopment	1,232,290	1,602,536
Foreclosure Prevention	317,487	639,849
BCLS	5,522,489	8,287,339
CVCLS	535,394	512,518
TAJF - Corona Virus Relief	970,000	-
Other grants	6,174,949	2,165,262
Private donations	94,301	129,667
Total release from restriction	\$ 25,061,463	\$ 26,013,867

Note 7. Support and Revenue

Contributions received are recorded as revenue without donor restrictions or revenue with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor support is reported as an increase in net assets with donor restrictions or net assets without donor restrictions, depending on the nature and existence of the restriction.

When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 8. Description of Program and Supporting Services

The following program and supporting services are included in the accompanying Statement of Functional Expenses:

Program Services

The organization provides legal representation in the areas of consumer finance, education, employment, family law, health, housing, income maintenance and individual rights. Included in program services expenses are donated services of attorneys, paralegals and others.

Management and General

This category includes the functions necessary to maintain a viable legal services program: suitable working environment, coordination and articulation of LANWT's program strategy through the office of the Chief Executive Officer, proper administrative functioning of the Board of Directors, competent legal and other technical services for LANWT's program administration as well as the organization's management of financial and budgetary responsibilities.

Fundraising

This category includes the functions that provide program and organizational support through special events and other initiatives to bring in additional financial resources to the organization.

Note 9. Retirement Plan

In November 2011, LANWT combined two prior employer funded and employee funded plans and transferred the funds to a new custodian. The Plan is a defined contribution plan covering substantially all full-time employees of LANWT. Participants may contribute any percentage of their salary provided that they do not contribute more than the maximum permitted by law. LANWT may make a discretionary base contribution, and any such employer contribution will be allocated to eligible participants in the proportion that each participant's eligible compensation for the Plan year bears to the total eligible compensation of all such participants for the Plan year. During the years ended December 31, 2020 and 2019, LANWT contributed approximately \$770,000 and \$704,000, respectively.

Note 10. Lease Commitments

The following is a schedule by years of future minimum rental payments required under operating leases for facilities and equipment that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2020:

Year Ending December 31,		
2021	\$	741,808
2022		682,449
2023		425,140
2024		215,274
2025		79,079
		<hr/>
	\$	<u>2,143,750</u>

Legal Aid of NorthWest Texas

Notes to Financial Statements

Total rental expense, exclusive of utilities, was \$1,000,779 and \$886,976 in 2020 and 2019, respectively.

At December 31, 2020, eight of LANWT's facility leases include clauses that allow for reduction in payment or early termination of the lease in the event that LANWT's funding is eliminated or significantly reduced. LANWT has not been notified of any significant changes to or reductions in funding. LANWT does not anticipate utilization of these clauses and therefore, the above schedule does not reflect these reductions.

Note 11. Contingencies and Commitments

Contingencies

LANWT is subject to various legal proceedings in the ordinary course of business. The resolution of these matters cannot be predicted with certainty, but management believes the final outcome of such matters will not have a material effect on LANWT's financial position, results of operations or cash flows.

LANWT participates in federal and state programs, which are governed by various rules and regulations of the grantor agency. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agency.

Therefore, to the extent that LANWT has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2020 may be impaired. In the opinion of management, there are no contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

Commitments

Health insurance is provided to employees of LANWT pursuant to a partially self-funded plan. LANWT is liable on an annual basis for up to \$40,000 per employee. Premium and administrative fees accounted for a total of approximately \$3.1 million and \$2.7 million in health and dental insurance expenses for the years ended December 31, 2020 and 2019, respectively.

Note 12. Concentrations

LANWT maintains accounts at various banks. Bank deposits are currently insured by the Federal Deposit Insurance Corporation (FDIC) for a maximum of \$250,000. Cash at these institutions exceeded federally insured limits. The amount in excess of the FDIC limit totaled \$12.2 million and \$4.7 million as of December 31, 2020 and 2019, respectively. The Board of Directors has adopted the guidance issued by Legal Services Corporation regarding the excess funds on deposit. In accordance with LSC Accounting Guide for LSC Recipients, as revised, LANWT deposits funds in the excess of federally insured limits in money market accounts and repurchase agreements that invest in U.S. government securities.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 13. Concentration of Source of Supply of Labor

LANWT staff attorneys, paralegals, intake and support personnel (representing approximately 70% of the employees) are members of the Union of Legal Assistance Workers, National Organization of Legal Services Workers, UAW Local #2320, AFL-CIO. Administrative and managerial employees are not represented by a union. The revised collective bargaining agreement was re-negotiated in 2020.

Note 14. Major Funding Sources

For the year ended December 31, 2020 and 2019, approximately 32% and 41% of LANWT's grant support was provided by LSC and 54% and 52% was provided by grants from TAJF, respectively.

The funding sources detailed below represent approximately 86% of LANWT's total grant support of \$22.8 million for 2020 and 93% of total grant support of \$22.8 million for 2019.

	2020	2019
Total Direct LSC Funding	\$ 7,259,146	\$ 9,354,071
Total Direct TAJF Funding	12,383,220	11,886,828

Note 15. Related Party Transactions

During the normal course of LANWT's Private Attorney Involvement program activities, attorney Board members participate in, or otherwise contribute to, the provision of legal services to persons financially unable to afford legal services on a pro bono basis through the Dallas Volunteer Attorney Program and other similar programs. Members receive no compensation for their services, but may be entitled to reimbursement of out-of-pocket expenses related to the representation of eligible clients.

In the normal course of procuring services or funding, persons related to LANWT officers, employees or Board members may be involved with the firms used for purchasing of nominal services or provision of legal services to persons financially unable to afford legal services. Management believes the services are provided at rates comparable to those in arms-length transactions for services provided.

Note 16. Long Term Contributions

In year ended December 31, 2019, LANWT received one restricted contribution, which had payment terms that extended beyond one year. The contribution was restricted based on purpose and time, and is reflected in net assets with donor restrictions in the accompanying Statement of Activities for the year ended December 31, 2019. No restricted contributions were received from donors during year ended December 31, 2020.

At December 31, 2020 and 2019, contributions receivable was comprised of amounts to be collected in one to two years. LANWT discounts pledges that are expected to be collected after one year. Amortization of the discount on long-term contribution receivable is included with grants and contracts in the accompanying Statement of Activities. At December 31, 2020 and 2019, LANWT considered contributions receivable to be fully collectible. Accordingly, no allowance is recorded.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Contributions receivable at December 31, 2020 and 2019 are as follows:

	2020	2019
Receivable within one year	\$ 120,000	\$ 130,000
Receivable beyond one year	120,000	240,000
	240,000	370,000
Present value discount	(5,424)	(10,848)
Total contributions receivable, net	\$ 234,576	\$ 359,152

Note 17. Payroll Protection Program

During the year ended December 31, 2020, LANWT received a forgivable loan under the Payroll Protection Program (PPP) of the Coronavirus Aid, Relief and Economic Security (CARES) Act in the amount of \$1,950,000. LANWT has assessed funds expended under the PPP loan and the related forgiveness requirements (including eligible costs and maintenance of employee counts) and believes they are in compliance. In addition, all funds were expended within the allowable period that ended prior to December 31, 2020, in accordance with the requirements, and as such LANWT believes that all funds will be forgiven. Accordingly, the funds are recorded as contributions revenue on the accompanying statement of activities for the year ended December 31, 2020.

Note 18. Liquidity

As a not-for-profit entity, LANWT receives significant funding in the form of grants each year from federal and state agencies, which are restricted to be used in a particular manner. LANWT must maintain sufficient resources to meet those responsibilities to its grantors. Thus, financial assets may not be available for general expenditure within one year. As part of managing the financial assets, LANWT ensures these become available when obligations come due.

Legal Aid of NorthWest Texas

Notes to Financial Statements

The following reflects LANWT's financial assets as of the balance sheet date, including amounts not available within one year of the balance sheet date. Amounts not available include donor-imposed restricted grants.

	2020	2019
Cash and cash equivalents (see Note 4)	\$ 12,443,275	\$ 4,900,933
Contributions receivable - current	120,000	130,000
Accounts Receivable-other	21,647	40,002
Due from grantors	1,618,489	703,779
Total financial assets, year end	14,203,411	5,774,714
Less grantor and donor-imposed restrictions		
LSC carryover	-	(565,315)
Time and purpose restrictions	(3,374,946)	(3,309,249)
Total financial assets not available to be used within one year	(3,374,946)	(3,874,564)
Total financial assets available to meet general expenditures within one year	\$ 10,828,465	\$ 1,900,150

Total restricted funds of \$3,374,946 and \$3,874,564 at December 31, 2020 and 2019 include \$2,050,183 and \$2,867,321 restricted for use in accordance with the Legal Services Corporation grant. These funds can be utilized for any purposes that are allowable under the Legal Services Corporation grant, which encompasses most of the costs LANWT incurs.

Additionally, as of December 31, 2020 and 2019, cash and cash equivalents include \$11,850,367 and \$2,047,299 related to refundable advance from grantors.

Note 19. LSC Carryover

The excess subject to waiver for the year ended December 31, 2020 was \$3,130,649 (32%). Per LSC requirements, LANWT is allowed to carry forward up to 10% of LSC support to the next fiscal year. LANWT can request a waiver to carry forward up to 25% of LSC support to the next fiscal year, and when there are extraordinary and compelling circumstances, requests can exceed 25%. As of December 31, 2020, LSC granted waivers, once requested, to all agencies, regardless of amount, due to the COVID-19 pandemic. As of December 31, 2020, LSC carryforward of \$3,130,649 is included in refundable advances on the statement of financial position.

The excess subject to waiver for the year ended December 31, 2019 was \$0, as ending LSC grant support of \$565,315 (6.1% of LSC support), was less than the amount of allowable carryover of \$929,636. The excess of \$565,315 for year ended December 31, 2019 was included in grants and contracts on the accompanying statement of activities. As of December 31, 2020, LSC requires these balances to be reflected as refundable advances on a prospective basis, which is consistent with LANWT's other grant revenue recognition policies.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 20. Subsequent Events

LANWT has evaluated subsequent events through April 27, 2021, the date these financial statements were available to be issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements, except as follows:

COVID-19

The ongoing operational and financial impact the COVID-19 pandemic may have on LANWT has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Since the pandemic has started, LANWT has had all its employees work remotely and this includes the intake of cases. In terms of funding, LANWT applied for and received a PPP loan of \$1,950,000 (see Note 17) that was primarily used for payroll. LANWT also received additional pandemic-related funding from LSC and TAJF totaling \$1.4 million.

Supplementary Information

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2020 and Memorandum Totals for Year Ended December 31, 2019

	Basic Field Grant			Pro Bono Innovation
	LSC	LSC-PAI	Fundraising	
SUPPORT AND REVENUE				
Grants and contracts	\$ 6,103,600	\$ 296,219	\$ 264,274	\$ 140,489
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	2,398	-	-	-
Donated funds	-	-	-	-
Donated services	1,763,301	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	7,869,299	296,219	264,274	140,489
Salaries - attorneys	2,084,998	46,776	-	77,887
Non-attorneys salaries and wages	1,756,076	124,487	166,860	20,738
Payroll taxes	304,706	13,204	12,767	7,547
Fringe benefits	1,131,890	39,121	40,697	22,369
Total personnel	5,277,670	223,588	220,324	128,541
Legal consultants - donated	1,763,301	-	-	-
Contract services	172,074	7,528	12,411	7,998
Travel - and training	101,276	4,149	950	3,060
Occupancy	338,120	20,683	3,621	-
Building interest	47,237	-	-	-
Purchases and materials	73,913	2,837	186	-
Wide area network	-	-	-	-
Equipment rental	50,875	2,968	563	-
Equipment repairs	40,276	998	9,635	-
Office supplies	37,470	9,203	2,380	890
Printing	7,467	770	2,778	-
Postage	25,050	5,649	2,213	-
Bank service charges	10,637	-	-	-
Telephone	222,166	15,751	4,771	-
Advertising	1,229	-	200	-
Insurance	41,705	1,488	502	-
Dues	39,422	-	3,740	-
Recruiting	16,695	-	-	-
Litigation	33,906	582	-	-
Miscellaneous	(1,361)	25	-	-
Total other expenses	3,021,458	72,631	43,950	11,948
Total expenses before depreciation	8,299,128	296,219	264,274	140,489
Excess (deficiency) of support and revenue over expenses before depreciation	(429,829)	-	-	-
Depreciation	192,801	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ (622,630)	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	COVID-19 Response	Telework Capacity	Total Direct LSC Funding	Statewide Disaster Recovery
SUPPORT AND REVENUE				
Grants and contracts	\$ 429,837	\$ 24,727	\$ 7,259,146	\$ 351,483
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	2,398	-
Donated funds	-	-	-	-
Donated services	-	-	1,763,301	-
Other income	-	-	-	-
Total revenue grants and contracts	429,837	24,727	9,024,845	351,483
Salaries - attorneys	233,230	-	2,442,891	33,092
Non-attorneys salaries and wages	81,600	-	2,149,761	66,390
Payroll taxes	24,084	-	362,308	7,609
Fringe benefits	26,441	-	1,260,518	24,289
Total personnel	365,355	-	6,215,478	131,380
Legal consultants - donated	-	-	1,763,301	-
Contract services	10,848	-	210,859	4,087
Travel - and training	1,882	-	111,317	5,177
Occupancy	-	-	362,424	-
Building interest	-	-	47,237	-
Purchases and materials	45,419	20,261	142,616	2,998
Wide area network	-	-	-	-
Equipment rental	-	-	54,406	-
Equipment repairs	-	4,466	55,375	50
Office supplies	4,159	-	54,102	666
Printing	153	-	11,168	-
Postage	1	-	32,913	-
Bank service charges	-	-	10,637	-
Telephone	1,120	-	243,808	-
Advertising	900	-	2,329	-
Insurance	-	-	43,695	-
Dues	-	-	43,162	-
Recruiting	-	-	16,695	-
Litigation	-	-	34,488	-
Miscellaneous	-	-	(1,336)	-
Total other expenses	64,482	24,727	3,239,196	12,978
Total expenses before depreciation	429,837	24,727	9,454,674	144,358
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	(429,829)	207,125
Depreciation	-	-	192,801	20,713
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ (622,630)	\$ 186,412

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	BCLS	BCLS PAI	Total BCLS	CVCLS
SUPPORT AND REVENUE				
Grants and contracts	\$ 5,001,455	\$ 521,034	\$ 5,522,489	\$ 535,394
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	5,001,455	521,034	5,522,489	535,394
PERSONNEL				
Salaries - attorneys	2,378,240	39,044	2,417,284	320,234
Non-attorneys salaries and wages	1,110,761	321,953	1,432,714	61,539
Payroll taxes	266,911	27,624	294,535	27,576
Fringe benefits	778,203	85,116	863,319	80,888
Total personnel	4,534,115	473,737	5,007,852	490,237
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	10,812	1,038	11,850	864
Travel - and training	4,245	1,439	5,684	2,049
Occupancy	200,327	20,079	220,406	21,557
Building interest	-	-	-	-
Purchases and materials	18,627	1,641	20,268	1,404
Wide area network	-	-	-	-
Equipment rental	20,671	2,130	22,801	2,089
Equipment repairs	7,054	638	7,692	651
Office supplies	17,972	2,012	19,984	1,923
Printing	-	-	-	-
Postage	11,292	1,292	12,584	486
Bank service charges	-	-	-	-
Telephone	154,054	15,268	169,322	12,447
Advertising	-	-	-	-
Insurance	16,448	1,760	18,208	1,687
Dues	-	-	-	-
Recruiting	-	-	-	-
Litigation	5,838	-	5,838	-
Miscellaneous	-	-	-	-
Total other expenses	467,340	47,297	514,637	45,157
Total expenses before depreciation	5,001,455	521,034	5,522,489	535,394
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	LACH Community Redevelopment	LACH Foreclosure Prevention	Veterans	Veterans II - Extended Services
SUPPORT AND REVENUE				
Grants and contracts	\$ 1,232,290	\$ 317,487	\$ 278,185	\$ 288,894
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	1,232,290	317,487	278,185	288,894
PERSONNEL				
Salaries - attorneys	542,759	194,235	131,324	149,620
Non-attorneys salaries and wages	252,074	34,503	58,803	43,458
Payroll taxes	60,805	17,491	14,546	14,775
Fringe benefits	135,568	51,499	42,505	43,593
Total personnel	991,206	297,728	247,178	251,446
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	118,924	-	417	4,378
Travel - and training	7,906	570	644	271
Occupancy	96,965	12,019	16,650	17,317
Building interest	-	-	-	-
Purchases and materials	-	-	639	566
Wide area network	-	-	-	-
Equipment rental	-	-	1,318	1,444
Equipment repairs	509	-	300	329
Office supplies	2,940	1,314	1,073	1,060
Printing	-	-	-	-
Postage	-	799	655	480
Bank service charges	-	-	-	-
Telephone	12,430	4,054	8,373	10,654
Advertising	-	-	-	-
Insurance	-	-	938	949
Dues	900	-	-	-
Recruiting	-	-	-	-
Litigation	510	1,003	-	-
Miscellaneous	-	-	-	-
Total other expenses	241,084	19,759	31,007	37,448
Total expenses before depreciation	1,232,290	317,487	278,185	288,894
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2020 and Memorandum Totals for Year Ended December 31, 2019

	Rural Areas & Rural Delivery Systems	Self-Help Expansion	Employment Intersect Criminal/Civil Justice	Housing
SUPPORT AND REVENUE				
Grants and contracts	\$ 1,468,233	\$ 213,010	\$ 318,327	\$ 468,078
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	1,468,233	213,010	318,327	468,078
PERSONNEL				
Salaries - attorneys	690,478	104,009	169,081	294,881
Non-attorneys salaries and wages	298,652	56,459	50,146	36,491
Payroll taxes	75,576	12,278	17,170	25,347
Fringe benefits	221,267	25,696	50,608	71,167
Total personnel	1,285,973	198,442	287,005	427,886
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	2,672	230	541	865
Travel - and training	4,191	200	559	554
Occupancy	89,519	8,358	11,185	17,977
Building interest	-	-	-	-
Purchases and materials	7,103	1,138	6,252	1,374
Wide area network	-	-	-	-
Equipment rental	8,878	191	1,318	1,667
Equipment repairs	1,539	287	391	561
Office supplies	6,359	1,116	1,123	1,538
Printing	2,958	-	-	-
Postage	3,802	108	673	864
Bank service charges	-	-	-	-
Telephone	50,305	2,166	8,153	13,201
Advertising	-	-	-	-
Insurance	4,934	774	1,127	1,591
Dues	-	-	-	-
Recruiting	-	-	-	-
Litigation	-	-	-	-
Miscellaneous	-	-	-	-
Total other expenses	182,260	14,568	31,322	40,192
Total expenses before depreciation	1,468,233	213,010	318,327	468,078
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	LASSA	IOLTA	TAJF JG-35	TAJF Corona Virus
SUPPORT AND REVENUE				
Grants and contracts	\$ 695,834	\$ -	\$ 75,000	\$ 970,000
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	695,834	-	75,000	970,000
PERSONNEL				
Salaries - attorneys	373,179	-	-	471,240
Non-attorneys salaries and wages	100,735	-	-	117,302
Payroll taxes	36,254	-	-	45,023
Fringe benefits	62,519	-	-	119,291
Total personnel	572,687	-	-	752,856
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	36,623	-	61,521	36,220
Travel - and training	12,482	-	1,647	-
Occupancy	49,132	-	-	-
Building interest	-	-	-	-
Purchases and materials	2,878	-	7,008	153,944
Wide area network	-	-	-	-
Equipment rental	1,979	-	-	-
Equipment repairs	775	-	-	-
Office supplies	3,704	-	-	20,480
Printing	2,067	-	84	-
Postage	1,844	-	-	-
Bank service charges	-	-	-	-
Telephone	4,808	-	240	-
Advertising	-	-	4,500	6,500
Insurance	1,831	-	-	-
Dues	-	-	-	-
Recruiting	-	-	-	-
Litigation	5,024	-	-	-
Miscellaneous	-	-	-	-
Total other expenses	123,147	-	75,000	217,144
Total expenses before depreciation	695,834	-	75,000	970,000
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	16,138	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ 16,138	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	IRS	SafeHaven	TDHCA	OVAG
SUPPORT AND REVENUE				
Grants and contracts	\$ 100,000	\$ 8,797	\$ 62,651	\$ 174,070
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	100,000	8,797	62,651	174,070
PERSONNEL				
Salaries - attorneys	77,548	5,958	25,355	120,683
Non-attorneys salaries and wages	690	-	13,983	-
Payroll taxes	5,983	456	3,010	9,234
Fringe benefits	15,539	1,583	10,292	27,035
Total personnel	99,760	7,997	52,640	156,952
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	-	-	-	-
Travel - and training	240	800	-	407
Occupancy	-	-	-	9,906
Building interest	-	-	-	-
Purchases and materials	-	-	5,080	-
Wide area network	-	-	-	-
Equipment rental	-	-	38	174
Equipment repairs	-	-	48	62
Office supplies	-	-	147	604
Printing	-	-	-	-
Postage	-	-	114	94
Bank service charges	-	-	-	-
Telephone	-	-	1,790	5,660
Advertising	-	-	-	-
Insurance	-	-	171	211
Dues	-	-	-	-
Recruiting	-	-	-	-
Litigation	-	-	-	-
Miscellaneous	-	-	2,623	-
Total other expenses	240	800	10,011	17,118
Total expenses before depreciation	100,000	8,797	62,651	174,070
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2020 and Memorandum Totals for Year Ended December 31, 2019

	Tankersley Fellowship	Equal Justice Works Fellowship	Equal Justice Works Fellowship	City of Dallas CARES Act
SUPPORT AND REVENUE				
Grants and contracts	\$ 78,270	\$ 15,400	\$ 7,692	\$ 50,000
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	78,270	15,400	7,692	50,000
PERSONNEL				
Salaries - attorneys	59,590	15,400	7,692	22,116
Non-attorneys salaries and wages	-	-	-	5,655
Payroll taxes	4,558	-	-	2,042
Fringe benefits	14,122	-	-	5,379
Total personnel	78,270	15,400	7,692	35,192
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	-	-	-	8,070
Travel - and training	-	-	-	638
Occupancy	-	-	-	-
Building interest	-	-	-	-
Purchases and materials	-	-	-	-
Wide area network	-	-	-	-
Equipment rental	-	-	-	-
Equipment repairs	-	-	-	-
Office supplies	-	-	-	-
Printing	-	-	-	-
Postage	-	-	-	-
Bank service charges	-	-	-	-
Telephone	-	-	-	-
Advertising	-	-	-	6,100
Insurance	-	-	-	-
Dues	-	-	-	-
Recruiting	-	-	-	-
Litigation	-	-	-	-
Miscellaneous	-	-	-	-
Total other expenses	-	-	-	14,808
Total expenses before depreciation	78,270	15,400	7,692	50,000
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	DA VOCA	VOCA	EJW Elder Justice Fellowships	Restricted Misc
SUPPORT AND REVENUE				
Grants and contracts	\$ 5,944	\$ 2,213,840	\$ 38,594	\$ 13,919
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	-	-	-	15,534
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	5,944	2,213,840	38,594	29,453
PERSONNEL				
Salaries - attorneys	5,944	1,283,644	35,696	7,488
Non-attorneys salaries and wages	-	295,211	-	2,742
Payroll taxes	-	120,790	717	502
Fringe benefits	-	344,738	2,181	580
Total personnel	5,944	2,044,383	38,594	11,312
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	-	-	-	445
Travel - and training	-	8,451	-	-
Occupancy	-	66,494	-	1,100
Building interest	-	-	-	4,532
Purchases and materials	-	19,964	-	10,760
Wide area network	-	-	-	-
Equipment rental	-	-	-	-
Equipment repairs	-	-	-	-
Office supplies	-	7,856	-	407
Printing	-	-	-	-
Postage	-	-	-	-
Bank service charges	-	-	-	-
Telephone	-	66,692	-	-
Advertising	-	-	-	375
Insurance	-	-	-	-
Dues	-	-	-	-
Recruiting	-	-	-	-
Litigation	-	-	-	3,500
Miscellaneous	-	-	-	634
Total other expenses	-	169,457	-	21,753
Total expenses before depreciation	5,944	2,213,840	38,594	33,065
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	(3,612)
Depreciation	-	-	-	2,082
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ (5,694)

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	Progressive Dinner	Restricted for CLC	Total Misc Restricted	Total Restricted Non-LSC
SUPPORT AND REVENUE				
Grants and contracts	\$ -	\$ -	\$ -	\$ 15,503,881
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Interest	-	-	-	-
Donated funds	12,161	5,424	17,585	33,119
Donated services	-	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	12,161	5,424	17,585	15,537,000
PERSONNEL				
Salaries - attorneys	-	38,561	38,561	7,597,091
Non-attorneys salaries and wages	-	3,525	3,525	2,931,072
Payroll taxes	-	3,221	3,221	799,498
Fringe benefits	-	11,971	11,971	2,225,629
Total personnel	-	57,278	57,278	13,553,290
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	663	-	663	288,370
Travel - and training	447	-	447	52,917
Occupancy	-	-	-	638,585
Building interest	-	-	-	4,532
Purchases and materials	-	-	-	241,376
Wide area network	-	-	-	-
Equipment rental	-	-	-	41,897
Equipment repairs	-	-	-	13,194
Office supplies	350	-	350	72,644
Printing	-	-	-	5,109
Postage	55	-	55	22,558
Bank service charges	262	-	262	262
Telephone	-	-	-	370,295
Advertising	100	-	100	17,575
Insurance	-	-	-	32,421
Dues	-	-	-	900
Recruiting	-	-	-	-
Litigation	-	-	-	15,875
Miscellaneous	-	-	-	3,257
Total other expenses	1,877	-	1,877	1,821,767
Total expenses before depreciation	1,877	57,278	59,155	15,375,057
Excess (deficiency) of support and revenue over expenses before depreciation	10,284	(51,854)	(41,570)	161,943
Depreciation	-	-	-	38,933
Excess (deficiency) of support and revenue over expenses after depreciation	\$ 10,284	\$ (51,854)	\$ (41,570)	\$ 123,010

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	DBA JT Campaign	Women's Advocacy	PPP Loan	Unrestricted General	Total Unrestricted General
SUPPORT AND REVENUE					
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	1,950,000	-	1,950,000
Attorney fees	-	-	-	-	-
Interest	-	-	-	14,688	14,688
Donated funds	446,185	56,756	-	97,229	600,170
Donated services	-	-	-	-	-
Other income	-	-	-	1,726	1,726
Total revenue grants and contracts	446,185	56,756	1,950,000	113,643	2,566,584
PERSONNEL					
Salaries - attorneys	276,625	-	772,711	4,476	1,053,812
Non-attorneys salaries and wages	52,674	-	577,720	122	630,516
Payroll taxes	25,192	-	-	351	25,543
Fringe benefits	73,579	-	316,379	966	390,924
Total personnel	428,070	-	1,666,810	5,915	2,100,795
OTHER EXPENSES					
Legal consultants - donated	-	-	-	-	-
Contract services	18,015	1,648	-	38,000	57,663
Travel - and training	100	309	-	448	857
Occupancy	-	-	172,672	-	172,672
Building interest	-	-	22,570	-	22,570
Purchases and materials	-	-	-	-	-
Wide area network	-	-	-	-	-
Equipment rental	-	-	-	-	-
Equipment repairs	-	1,268	-	-	1,268
Office supplies	-	750	-	260	1,010
Printing	-	-	-	-	-
Postage	-	153	-	-	153
Bank service charges	-	1,262	-	457	1,719
Telephone	-	-	87,948	-	87,948
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Dues	-	-	-	20,176	20,176
Recruiting	-	-	-	56	56
Litigation	-	-	-	-	-
Miscellaneous	-	-	-	120	120
Total other expenses	18,115	5,390	283,190	59,517	366,212
Total expenses before depreciation	446,185	5,390	1,950,000	65,432	2,467,007
Excess (deficiency) of support and revenue over expenses before depreciation	-	51,366	-	48,211	99,577
Depreciation	-	-	-	15,992	15,992
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ 51,366	\$ -	\$ 32,219	\$ 83,585

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2020 and
 Memorandum Totals for Year Ended December 31, 2019

	<u>2020</u> <u>Totals</u>	<u>2019</u> <u>Totals</u>
SUPPORT AND REVENUE		
Grants and contracts	\$ 22,763,027	\$ 22,780,584
Contributions	1,950,000	-
Attorney fees	-	21,136
Interest	17,086	63,280
Donated funds	633,289	899,181
Donated services	1,763,301	2,541,948
Other income	1,726	5,134
	<u>27,128,429</u>	<u>26,311,263</u>
PERSONNEL		
Salaries - attorneys	11,093,794	10,434,101
Non-attorneys salaries and wages	5,711,349	5,200,538
Payroll taxes	1,187,349	1,153,506
Fringe benefits	3,877,071	3,521,283
	<u>21,869,563</u>	<u>20,309,428</u>
OTHER EXPENSES		
Legal consultants - donated	1,763,301	2,541,948
Contract services	556,892	598,959
Travel - and training	165,091	412,991
Occupancy	1,173,681	1,059,927
Building interest	74,339	80,464
Purchases and materials	383,992	163,300
Wide area network	-	216,809
Equipment rental	96,303	97,032
Equipment repairs	69,837	70,914
Office supplies	127,756	236,736
Printing	16,277	32,410
Postage	55,624	71,876
Bank service charges	12,618	19,321
Telephone	702,051	295,184
Advertising	19,904	1,951
Insurance	76,116	76,889
Dues	64,238	55,822
Recruiting	16,751	19,729
Litigation	50,363	48,079
Miscellaneous	2,041	3,286
	<u>5,427,175</u>	<u>6,103,627</u>
Total other expenses	<u>5,427,175</u>	<u>6,103,627</u>
Total expenses before depreciation	27,296,738	26,413,055
Excess (deficiency) of support and revenue revenue over expenses before depreciation	(168,309)	(101,792)
Depreciation	<u>247,726</u>	<u>298,391</u>
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ (416,035)</u>	<u>\$ (400,183)</u>

Legal Aid of NorthWest Texas
 Statements of Changes in Net Assets
 Years Ended December 31, 2020 and 2019

	2020							
	With Donor Restrictions				Total Restricted	Without Donor Restrictions		Total
	LSC	Time and Purpose	Miscellaneous	Property		General	Property	
Excess (deficiency) of support and revenue over expenses	\$ (429,829)	\$ 5,424	\$ 156,521	\$ (231,734)	\$ (499,618)	\$ 99,575	\$ (15,992)	\$ (416,035)
Other changes in net assets								
Acquisition of property	(4,817)	-	(207,127)	211,944	-	-	-	-
Receipt of contributions	-	(130,000)	130,000	-	-	-	-	-
Retirement of long-term debt	(130,669)	-	-	130,669	-	(10,331)	10,331	-
Total other changes in net assets	(135,486)	(130,000)	(77,127)	342,613	-	(10,331)	10,331	-
Increase (decrease) in net assets	(565,315)	(124,576)	79,394	110,879	(499,618)	89,244	(5,661)	(416,035)
Net assets, beginning of year	565,315	359,152	412,838	2,537,259	3,874,564	123,275	172,252	4,170,091
Net assets, end of year	<u>\$ -</u>	<u>\$ 234,576</u>	<u>\$ 492,232</u>	<u>\$ 2,648,138</u>	<u>\$ 3,374,946</u>	<u>\$ 212,519</u>	<u>\$ 166,591</u>	<u>\$ 3,754,056</u>

	2019							
	LSC	With Donor Restrictions			Total Restricted	Without Donor Restrictions		
		Time and Purpose	Miscellaneous	Property		General	Property	Total
Excess (deficiency) of support and revenue over expenses	\$ (241,673)	\$ 59,040	\$ (18,061)	\$ (282,399)	\$ (483,093)	\$ 98,902	\$ (15,992)	\$ (400,183)
Other changes in net assets								
Receipt of contributions	-	(230,000)	230,000	-	-	-	-	-
Retirement of long-term debt	(125,998)	-	-	125,998	-	(9,961)	9,961	-
Total other changes in net assets	(125,998)	(230,000)	230,000	125,998	-	(9,961)	9,961	-
Increase (decrease) in net assets	(367,671)	(170,960)	211,939	(156,401)	(483,093)	88,941	(6,031)	(400,183)
Net assets, beginning of year	932,986	530,112	200,899	2,693,660	4,357,657	34,334	178,283	4,570,274
Net assets, end of year	\$ 565,315	\$ 359,152	\$ 412,838	\$ 2,537,259	\$ 3,874,564	\$ 123,275	\$ 172,252	\$ 4,170,091

Legal Aid of NorthWest Texas

Private Attorney Involvement

Schedule of Expenses

Year Ended December 31, 2020

PERSONNEL EXPENSES

Salaries and wages	
Attorneys	\$ 352,356
Non-attorneys	519,852
Payroll taxes	70,493
Fringe benefits	202,371
	<hr/>
Total personnel expenses	1,145,072

OTHER EXPENSES

Contract services	34,579
Travel - and training	8,750
Occupancy	43,776
Purchases and materials	4,574
Equipment rental	5,802
Equipment repairs	1,857
Office supplies	12,479
Printing	770
Postage and freight	7,149
Telephone	33,376
Insurance	3,833
Litigation	582
Miscellaneous	25
	<hr/>
Total other expenses	157,552

TOTAL EXPENSES

\$ 1,302,624

Note: Private Attorney Involvement expenses included in LSC-PAI, BCLS-PAI, partial amounts of the PPP loan and DBA Jt Campaign represent approximately 20% of the Legal Services Corporation basic field grant of \$6,664,093.

Legal Aid of NorthWest Texas
 Basic Civil Legal Services (BCLS and BCLS PAI)
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 5,522,489	\$ 6,725,085	\$ (1,202,596)
EXPENSES			
Personnel			
Attorney salaries and wages	2,417,284	3,370,000	(952,716)
Non-attorney salaries and wages	1,432,714	1,318,000	114,714
	<u>3,849,998</u>	<u>4,688,000</u>	<u>(838,002)</u>
Payroll taxes and fringe benefits	1,157,854	1,361,400	(203,546)
Total personnel expenses	5,007,852	6,049,400	(1,041,548)
Total non-personnel	514,637	675,685	(161,048)
Total expenses	<u>5,522,489</u>	<u>6,725,085</u>	<u>(1,202,596)</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Crime Victims Civil Legal Services
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 535,394	\$ 510,185	\$ 25,209
EXPENSES			
Personnel			
Attorney salaries and wages	320,234	277,540	42,694
Non-attorney salaries and wages	<u>61,539</u>	<u>70,000</u>	<u>(8,461)</u>
	381,773	347,540	34,233
Payroll taxes and fringe benefits	<u>108,464</u>	<u>104,250</u>	<u>4,214</u>
Total personnel expenses	490,237	451,790	38,447
Total non-personnel	<u>45,157</u>	<u>58,395</u>	<u>(13,238)</u>
Total expenses	<u>535,394</u>	<u>510,185</u>	<u>25,209</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid for Communities and Homeowners
 Community Redevelopment Program
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 1,232,290	\$ 1,387,195	\$ (154,905)
EXPENSES			
Personnel			
Attorney salaries and wages	542,759	605,745	(62,986)
Non-attorney salaries and wages	252,074	265,000	(12,926)
	<u>794,833</u>	<u>870,745</u>	<u>(75,912)</u>
Payroll taxes and fringe benefits	196,373	261,000	(64,627)
Total personnel expenses	991,206	1,131,745	(140,539)
Total non-personnel	<u>241,084</u>	<u>255,450</u>	<u>(14,366)</u>
Total expenses	<u>1,232,290</u>	<u>1,387,195</u>	<u>(154,905)</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid for Communities and Homeowners
 Foreclosure Prevention
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 317,487	\$ 452,572	\$ (135,085)
EXPENSES			
Personnel			
Attorney salaries and wages	194,235	260,000	(65,765)
Non-attorney salaries and wages	34,503	74,000	(39,497)
	<u>228,738</u>	<u>334,000</u>	<u>(105,262)</u>
Payroll taxes and fringe benefits	68,990	100,200	(31,210)
Total personnel expenses	<u>297,728</u>	<u>434,200</u>	<u>(136,472)</u>
Total non-personnel	<u>19,759</u>	<u>18,372</u>	<u>1,387</u>
Total expenses	<u>317,487</u>	<u>452,572</u>	<u>(135,085)</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid to Veterans
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 278,185	\$ 230,236	\$ 47,949
EXPENSES			
Personnel			
Attorney salaries and wages	131,324	106,641	24,683
Non-attorney salaries and wages	<u>58,803</u>	<u>47,800</u>	<u>11,003</u>
	190,127	154,441	35,686
Payroll taxes and fringe benefits	<u>57,051</u>	<u>46,200</u>	<u>10,851</u>
Total personnel expenses	247,178	200,641	46,537
Total non-personnel	<u>31,007</u>	<u>29,595</u>	<u>1,412</u>
Total expenses	<u>278,185</u>	<u>230,236</u>	<u>47,949</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid to Veterans II – Extended Services
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 288,894	\$ 287,999	\$ 895
EXPENSES			
Personnel			
Attorney salaries and wages	149,620	157,554	(7,934)
Non-attorney salaries and wages	43,458	40,675	2,783
	<u>193,078</u>	<u>198,229</u>	<u>(5,151)</u>
Payroll taxes and fringe benefits	58,368	59,550	(1,182)
Total personnel expenses	251,446	257,779	(6,333)
Total non-personnel	37,448	30,220	7,228
Total expenses	<u>288,894</u>	<u>287,999</u>	<u>895</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid to Survivors of Sexual Assault (LASSA)
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 695,834	\$ 677,335	\$ 18,499
EXPENSES			
Personnel			
Attorney salaries and wages	373,179	322,000	51,179
Non-attorney salaries and wages	100,735	110,000	(9,265)
	<u>473,914</u>	<u>432,000</u>	<u>41,914</u>
Payroll taxes and fringe benefits	98,773	130,000	(31,227)
Total personnel expenses	572,687	562,000	10,687
Total non-personnel	123,147	115,335	7,812
Total expenses	<u>695,834</u>	<u>677,335</u>	<u>18,499</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid – Rural Areas & Rural Delivery Systems
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 1,468,233	\$ 1,401,373	\$ 66,860
EXPENSES			
Personnel			
Attorney salaries and wages	690,478	635,773	54,705
Non-attorney salaries and wages	<u>298,652</u>	<u>296,700</u>	<u>1,952</u>
	989,130	932,473	56,657
Payroll taxes and fringe benefits	<u>296,843</u>	<u>279,500</u>	<u>17,343</u>
Total personnel expenses	1,285,973	1,211,973	74,000
Total non-personnel	<u>182,260</u>	<u>189,400</u>	<u>(7,140)</u>
Total expenses	<u>1,468,233</u>	<u>1,401,373</u>	<u>66,860</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid – Self-Help Expansion
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 213,010	\$ 187,773	\$ 25,237
EXPENSES			
Personnel			
Attorney salaries and wages	104,009	98,500	5,509
Non-attorney salaries and wages	<u>56,459</u>	<u>37,548</u>	<u>18,911</u>
	160,468	136,048	24,420
Payroll taxes and fringe benefits	<u>37,974</u>	<u>40,500</u>	<u>(2,526)</u>
Total personnel expenses	198,442	176,548	21,894
Total non-personnel	<u>14,568</u>	<u>11,225</u>	<u>3,343</u>
Total expenses	<u>213,010</u>	<u>187,773</u>	<u>25,237</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid – Employment Intersect Criminal/ Civil Justice
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 318,327	\$ 316,505	\$ 1,822
EXPENSES			
Personnel			
Attorney salaries and wages	169,081	173,135	(4,054)
Non-attorney salaries and wages	50,146	46,700	3,446
	<u>219,227</u>	<u>219,835</u>	<u>(608)</u>
Payroll taxes and fringe benefits	67,778	65,900	1,878
Total personnel expenses	287,005	285,735	1,270
Total non-personnel	31,322	30,770	552
Total expenses	<u>318,327</u>	<u>316,505</u>	<u>1,822</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid - Housing
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 468,078	\$ 421,172	\$ 46,906
EXPENSES			
Personnel			
Attorney salaries and wages	294,881	264,052	30,829
Non-attorney salaries and wages	<u>36,491</u>	<u>27,550</u>	<u>8,941</u>
	331,372	291,602	39,770
Payroll taxes and fringe benefits	<u>96,514</u>	<u>87,000</u>	<u>9,514</u>
Total personnel expenses	427,886	378,602	49,284
Total non-personnel	<u>40,192</u>	<u>42,570</u>	<u>(2,378)</u>
Total expenses	<u>468,078</u>	<u>421,172</u>	<u>46,906</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Corona Virus Relief
 Schedule of Revenues and Expenses
 Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 970,000	\$ 970,000	\$ -
EXPENSES			
Personnel			
Attorney salaries and wages	471,240	428,345	42,895
Non-attorney salaries and wages	117,302	193,120	(75,818)
	<u>588,542</u>	<u>621,465</u>	<u>(32,923)</u>
Payroll taxes and fringe benefits	164,314	144,935	19,379
Total personnel expenses	<u>752,856</u>	<u>766,400</u>	<u>(13,544)</u>
Total non-personnel	<u>217,144</u>	<u>203,600</u>	<u>13,544</u>
Total expenses	<u>970,000</u>	<u>970,000</u>	<u>-</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas

JG-35 Award

Schedule of Revenues and Expenses

Year Ended December 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 75,000	\$ 75,000	\$ -
EXPENSES			
Personnel			
Attorney salaries and wages	-	-	-
Non-attorney salaries and wages	-	41,900	(41,900)
	-	41,900	(41,900)
Payroll taxes and fringe benefits	-	12,600	(12,600)
Total personnel expenses	-	54,500	(54,500)
Total non-personnel	75,000	20,500	54,500
Total expenses	75,000	75,000	-
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Federal and State Awards

Legal Aid of NorthWest Texas
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2020

FEDERAL GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM TITLE	Federal CFDA	Contract Number	Federal Expenditures
Legal Services Corporation			
Legal Services Corporation			
Basic Field Grant	09.744050	744050	\$ 6,664,091
Pro Bono Innovation Fund	09.744050	PB19030	140,489
Telework Capacity Building	09.744050	CVT20105	24,727
COVID-19 Response	09.744050	CV20109	429,837
TOTAL LEGAL SERVICES CORPORATION			7,259,144
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Texas Department of Housing and Community Affairs			
Emergency Solutions Grant Program	14.231	43201110057	62,651
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			62,651
U.S. DEPARTMENT OF TREASURY			
Internal Revenue Service			
Low Income Taxpayers Clinic	21.008	20-LITC0438-02	100,000
Passed through the City of Dallas			
Coronavirus Relief Fund	21.019	FHO-2021-00014891	50,000
TOTAL U.S. DEPARTMENT OF TREASURY			150,000
U.S. DEPARTMENT OF JUSTICE			
Passed through Texas Governor's Criminal Justice Division			
Crime Victims Assistance - Rural Safe at Home Project	16.575	1696414	2,213,840
Passed through Dallas County District Attorney			
Crime Victims Assistance - Family Violence Extension Project	16.575	N/A	5,944
Total CFDA 16.575			2,219,784
Passed through SafeHaven of Tarrant County			
Legal Assistance for Victims	16.524	2017-WL-AX-0009	8,797
Passed through Equal Justice Works			
Crime Victims Assistance/Discretionary Grants	16.582	2020-OVC-EJP-007	38,594
TOTAL U.S. DEPARTMENT OF JUSTICE			2,267,175
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 9,738,970

Legal Aid of NorthWest Texas
 Schedule of Expenditures of State Awards
 Year Ended December 31, 2020

<u>STATE GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>Contract Number</u>	<u>State Expenditures</u>
SUPREME COURT OF TEXAS		
Texas Access to Justice Foundation		
Crime Victims Civil Legal Services	10083477 & 10086589	\$ 535,394
Basic Civil Legal Services	10083423	5,522,489
Legal Aid for Communities and Homeowners - Community Redevelopment Program	10081935	1,232,290
Legal Aid for Communities and Homeowners - Foreclosure Prevention	10081934	317,487
Legal Aid for Survivors of Sexual Assault	10083422	695,834
Legal Aid to Veterans	10083436	278,185
Legal Aid to Veterans II - Extended Services	10083837	288,894
Legal Aid - Employment Intersect Criminal/Civil Justice	10083925	318,327
Legal Aid - Housing	10083918	468,078
Legal Aid - Self-Help Expansion	10083919	213,010
Legal Aid - Rural Areas & Rural Delivery Systems	10083916	1,468,233
Corona Virus Relief Funding for Essential Legal Services	10086727	970,000
TOTAL SUPREME COURT OF TEXAS		12,308,221
OFFICE OF THE ATTORNEY GENERAL		
Other Victims Assistance Grant	2097558 & 2108884	174,070
TOTAL OFFICE OF THE ATTORNEY GENERAL		174,070
TOTAL EXPENDITURES OF STATE AWARDS		\$ 12,482,291

Legal Aid of NorthWest Texas

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1. Basis of Presentation

The Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards (the Schedules) include the federal and state grant activity of Legal Aid of NorthWest Texas (LANWT) under programs of the federal and state government for the year ended December 31, 2020. The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The information in the Schedule of Expenditures of State Awards is presented in accordance with the requirements of the Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards* which include the State of Texas Single Audit Circular (UGMS). Because the schedules present only a selected portion of the operations of Legal Aid of NorthWest Texas, they are not intended to and do not present the financial position, changes in net assets, or cash flows of LANWT.

The schedules are presented using the accrual basis of accounting. These expenditures are reported based on LANWT's year-end. Expenditure reports to funding agencies are prepared based on award periods. See Note 1 of the notes to the financial statements for LANWT's significant accounting policies.

Note 2. Indirect Cost Rate

Uniform Guidance allows non-federal entities, such as LANWT, to elect to charge a de minimis rate of ten percent of modified direct costs as its indirect cost rate that may be used indefinitely. LANWT chose not to utilize the de minimis rate in the current year.



**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

To the Board of Directors of
Legal Aid of NorthWest Texas

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 NorthWest Texas (LANWT), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LANWT's internal control over financial reporting (internal control) to determine the 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 LANWT's internal control. Accordingly, we do not express an opinion on the effectiveness of LANWT'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LANWT'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 determination of financial statement amounts. 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*.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

CPAs AND ADVISORS | WEAVER.COM

The Board of Directors of
Legal Aid of NorthWest Texas

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
April 27, 2021



**Independent Auditor's Report on Compliance for Each
Major Federal and State Program and Report on Internal Control
Over Compliance in Accordance with the Uniform Guidance and UGMS**

To the Board of Directors of
Legal Aid of NorthWest Texas

Report on Compliance for Each Major Federal and State Program

We have audited Legal Aid of NorthWest Texas' (LANWT) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards, which includes the State of Texas Single Audit Circular (UGMS)* that could have a direct and material effect on each of LANWT's major federal and state programs for the year ended December 31, 2020. LANWT's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of LANWT's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and UGMS. Those standards, the Uniform Guidance and UGMS, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about LANWT's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of LANWT's compliance.

Opinion on Each Major Federal and State Program

In our opinion, LANWT 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 and state programs for the year ended December 31, 2020.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
Main: 817.332.7905

CPAs AND ADVISORS | WEAVER.COM

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with UGMS and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinions on each major state program are not modified with respect to this matter.

LANWT's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. LANWT's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of LANWT is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered LANWT's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LANWT's 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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 and state 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 and state 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Management's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Management response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The Board of Directors of
Legal Aid of NorthWest Texas

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 and UGMS. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
April 27, 2021

Legal Aid of NorthWest Texas

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? 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 section 200.516 of the Uniform Guidance? Yes No

Identification of major programs:

CFDA Number:

09.744050

Legal Services Corporation – Basic Field Grant, Telework Capacity Building, COVID-19 Response and Pro Bono Innovation Fund

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

Auditee qualified as low-risk auditee? Yes No

Legal Aid of Northwest Texas

Schedule of Findings and Questioned Costs - Continued

Year Ended December 31, 2020

State Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _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 UGMS? _X_ Yes ___ No

Identification of major programs:

- Crime Victims Civil Legal Services
- Corona Virus Relief Funding for Essential Legal Services
- Legal Aid for Survivors of Sexual Assault (LASSA)
- Legal Aid – Employment Intersect Criminal/Civil Justice
- Legal Aid – Housing
- Legal Aid for Communities and Homeowners – Community Redevelopment Program

Dollar threshold used to distinguish between type A and type B programs? \$300,000

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

Legal Aid of Northwest Texas
Schedule of Findings and Questioned Costs - Continued
Year Ended December 31, 2020

Section II – Financial Statement Findings

None noted.

Section III – Federal and State Award Findings and Questioned Costs

Finding 2020-001

Major State Program:

Texas Access to Justice Foundation: Legal Aid - Housing

Compliance Requirements:

Eligibility

Criteria:

Records must be kept in order to demonstrate that those individuals who were provided services under the grant met related eligibility requirements, including any relevant income limits or case subject matter limitations. Audit procedures revealed that certain individuals who received services under the grant for the year ended December 31, 2020 were not eligible, in part, because records of the services were not reviewed in enough detail to ensure eligibility requirements were met.

Condition:

(X) Compliance Finding (X) Significant Deficiency () Material Weakness

Context/Cause:

Of 25 cases selected for review for this grant, three cases were determined to be ineligible, as the individual requesting the service exceeded the relevant income limit for the grant.

Effect and Questioned Costs:

Improper charges to grants may be made, and may result in materially misstating expenses for grant compliance, based on ineligible individuals being provided legal services. Questioned costs on the three cases, found to be in error, approximated \$1,300. Further questioned costs were indeterminable.

Recommendation:

We recommend that services provided be thoroughly reviewed before being charged to a grant, to ensure all related eligibility requirements are met, including any relevant income limits or case subject matter limitations.

Response:

See Corrective Action Plan

Legal Aid of NorthWest Texas

Status of Prior Year Findings

Year Ended December 31, 2020

Section IV – Summary Schedule of Prior Audit Findings

Finding 2019-001

Major State Programs:

Legal Aid for Communities and Homeowners (LACH) – Community Redevelopment Program, Legal Aid – Rural Areas & Rural Delivery Systems, and Basic Civil Legal Services

Major Federal Programs:

09.744050 – Legal Services Corporation – Basic Field Grant and 16.575 – Crime Victims Assistance – Rural Safe at Home Project

Prior Year Finding:

Records must be kept in order to demonstrate that personnel costs and time charged were actually incurred in performance of the grants. Audit procedures revealed that allocation of employee time and payroll expense for the year ended December 31, 2019 were not adequately reviewed and reconciled.

Status:

This finding has been corrected in the current year.



Legal Aid of North West Texas

600 East Weatherford Street, Fort Worth, Texas 76102
817-649-4740 (fax) 817-649-4759

www.lanwt.org

With offices in Abilene, Amarillo, Brownwood, Dallas, Denton, Fort Worth, Lubbock, McKinney, Midland, Odessa, Plainview, San Angelo, Waxahachie, Weatherford and Wichita Falls

Section V – Corrective Action Plan

Finding 2020-001

Major Program:

Texas Access to Justice Foundation: Legal Aid - Housing

Compliance Requirement:

Eligibility

Response and Corrective Action Planned:

In reference to finding 2020-001, the following corrective actions have or will be taken:

In April 2021, the Director of Administration upgraded the case reporting tool for use in screening case financial eligibility criteria. Senior management will meet with managers by May 15, 2021 to emphasize and train on this tool and the need for a detailed review of case financial eligibility criteria. The periodic case review and case closure checklists will include income and asset eligibility as an item for an additional compliance review opportunity. This addition will be completed by April 2021.

Managing attorneys will be instructed to review and retrain their staff on this necessary compliance issue and the checklists by May 31, 2021.

Implementation Date:

May 2021

Responsible Person(s):

George Elliott, Director of Administration; Maria Thomas-Jones, Chief Executive Officer

Bringing justice to North and West Texans since 1951