

Legal Aid of NorthWest Texas

Financial Report

December 31, 2021

CONTENTS

Page

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position.....	4
Statements of Activities	6
Statements of Functional Expenses.....	8
Statements of Cash Flows	10
Notes to Financial Statements.....	11
Supplementary Information	
Statements of Support, Revenues and Expenses – by Fund.....	24
Statements of Changes in Net Assets	37
Private Attorney Involvement – Schedule of Expenses	39
Basic Civil Legal Services (BCLS and BCLS PAI) – Schedule of Revenues and Expenses	40
Crime Victims Civil Legal Services (CVCLS) – Schedule of Revenues and Expenses	41
Legal Aid for Communities and Homeowners (LACH) Community Redevelopment Program – Schedule of Revenues and Expenses	42
Legal Aid for Communities and Homeowners (LACH) Foreclosure Prevention – Schedule of Revenues and Expenses	43
Legal Aid to Veterans – Schedule of Revenues and Expenses.....	44
Legal Aid to Veterans II – Extended Services – Schedule of Revenues and Expenses.....	45
Legal Aid to Survivors of Sexual Assault (LASSA) – Schedule of Revenues and Expenses	46
Legal Aid – Rural Areas & Rural Delivery Systems – Schedule of Revenues and Expenses.....	47
Legal Aid – Self-Help Expansion – Schedule of Revenues and Expenses	48
Legal Aid – Employment Intersect Criminal/ Civil Justice – Schedule of Revenues and Expenses.....	49
Legal Aid – Housing – Schedule of Revenues and Expenses	50
Emergency Rental Assistance – Schedule of Revenues and Expenses.....	51

Federal and State Awards

Schedule of Expenditures of Federal Awards	52
Schedule of Expenditures of State Awards	53
Notes to the Schedule of Expenditures of Federal and State Awards	54
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>	55
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	57
Schedule of Findings and Questioned Costs	60
Status of Prior Year Findings	63



Independent Auditor's Report

To the Board of Directors of
Legal Aid of NorthWest Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Legal Aid of NorthWest Texas (a non-profit organization) which comprise the Statements of Financial Position as of December 31, 2021 and 2020, and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Legal Aid of NorthWest Texas as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Legal Aid of NorthWest Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Legal Aid of NorthWest Texas' ability to continue as a going concern for one year after the date that the financial statements are issued.

The Board of Directors of
Legal Aid of NorthWest Texas

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Legal Aid of NorthWest Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Legal Aid of NorthWest Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The Board of Directors of
Legal Aid of NorthWest Texas

Supplementary 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 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Legal Aid of NorthWest Texas' 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 28, 2022

This Page Intentionally Left Blank

Financial Statements

Legal Aid of NorthWest Texas

Statements of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (see Note 4)	\$ 12,049,661	\$ 12,443,275
Escrow funds - client deposits	8,971	7,893
Due from grantors	1,051,753	1,618,489
Accounts receivable - other	19,271	21,647
Contributions receivable - current portion	120,000	120,000
Prepaid expenses	<u>340,826</u>	<u>305,878</u>
Total current assets	13,590,482	14,517,182
NON CURRENT ASSETS		
Equipment, software and furniture	792,404	792,404
Accumulated depreciation	<u>(636,758)</u>	<u>(585,937)</u>
Equipment, software and furniture, net	155,646	206,467
Buildings	6,273,238	6,273,238
Accumulated depreciation	<u>(3,837,201)</u>	<u>(3,689,755)</u>
Buildings, net	2,436,037	2,583,483
Land	<u>474,875</u>	<u>474,875</u>
Total property and equipment	3,066,558	3,264,825
Contributions receivable - long-term portion, net	<u>-</u>	<u>114,576</u>
Total noncurrent assets	<u>3,066,558</u>	<u>3,379,401</u>
TOTAL ASSETS	<u>\$ 16,657,040</u>	<u>\$ 17,896,583</u>

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

LIABILITIES AND NET ASSETS	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 960,792	\$ 743,423
Escrow funds - client deposits	8,971	7,893
Refundable advances (see Note 4)	10,594,103	11,850,367
Note payable - current portion	<u>152,213</u>	<u>146,587</u>
Total current liabilities	11,716,079	12,748,270
LONG-TERM LIABILITIES		
Note payable - long-term portion	<u>1,242,043</u>	<u>1,394,257</u>
Total long-term liabilities	1,242,043	1,394,257
NET ASSETS		
Without donor restrictions		
General	284,410	212,519
General - property	<u>161,339</u>	<u>166,591</u>
Total without donor restrictions	445,749	379,110
With donor restrictions		
Other grants and contributions	531,460	492,232
Contributions	120,000	234,576
Legal Services Corporation - property	2,312,464	2,308,988
Other grants and contributions - property	<u>289,245</u>	<u>339,150</u>
Total with donor restrictions	<u>3,253,169</u>	<u>3,374,946</u>
Total net assets	<u>3,698,918</u>	<u>3,754,056</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,657,040</u>	<u>\$ 17,896,583</u>

Legal Aid of NorthWest Texas
 Statements of Activities
 Years Ended December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions			2021 Total
		LSC	Non - LSC	Total	
REVENUES AND OTHER SUPPORT					
Grants and contracts	\$ -	\$ 10,396,340	\$ 17,109,043	\$ 27,505,383	\$ 27,505,383
Attorney fees	-	4,701	-	4,701	4,701
Donated funds	690,762	-	28,543	28,543	719,305
Donated services	-	2,015,108	-	2,015,108	2,015,108
Interest income	4,509	2,703	-	2,703	7,212
Other income	4,215	-	-	-	4,215
Net assets released from restrictions	29,678,215	(12,415,376)	(17,262,839)	(29,678,215)	-
Total revenues and other support	30,377,701	3,476	(125,253)	(121,777)	30,255,924
EXPENSES					
Program services	26,706,821	-	-	-	26,706,821
Management and general	3,092,517	-	-	-	3,092,517
Fundraising	511,724	-	-	-	511,724
Total expenses	30,311,062	-	-	-	30,311,062
Changes in net assets	66,639	3,476	(125,253)	(121,777)	(55,138)
NET ASSETS, beginning of year	379,110	2,308,988	1,065,958	3,374,946	3,754,056
NET ASSETS, end of year	\$ 445,749	\$ 2,312,464	\$ 940,705	\$ 3,253,169	\$ 3,698,918

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

	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
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.

Legal Aid of NorthWest Texas
Statements of Functional Expenses
Years Ended December 31, 2021 and 2020

	2021			
	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Attorney salaries and wages	\$ 10,165,983	\$ 657,813	\$ -	\$ 10,823,796
Non-attorney salaries and wages	3,539,516	1,068,019	313,496	4,921,031
Payroll taxes	997,056	124,280	22,863	1,144,199
Fringe benefits	3,346,227	313,892	58,414	3,718,533
LSC carryover - salaries & benefits	3,615,864	-	-	3,615,864
	<u>21,664,646</u>	<u>2,164,004</u>	<u>394,773</u>	<u>24,223,423</u>
OTHER EXPENSES				
Legal consultants - donated	2,015,108	-	-	2,015,108
Contract services	376,255	379,747	51,743	807,745
Travel and training	133,316	26,939	1,922	162,177
Occupancy	1,157,903	50,523	8,303	1,216,729
Building interest	33,775	33,775	-	67,550
Purchases and materials	86,003	137,275	386	223,664
Equipment rentals	79,793	4,565	746	85,104
Equipment/software maintenance and repairs	38,097	30,214	21,985	90,296
Office supplies	112,183	18,832	10,316	141,331
Printing	7,413	166	2,598	10,177
Postage	31,726	1,510	2,820	36,056
Bank service charges	122	12,841	1,512	14,475
Telephone	633,294	60,856	9,921	704,071
Advertising	-	-	395	395
Insurance	83,778	5,384	878	90,040
Dues	53,249	10,267	3,350	66,866
Recruiting/advocacy	-	43,823	76	43,899
Litigation	49,480	-	-	49,480
Miscellaneous	186	64,023	-	64,209
	<u>-</u>	<u>880,740</u>	<u>116,951</u>	<u>5,889,372</u>
Total other expenses	<u>4,891,681</u>	<u>880,740</u>	<u>116,951</u>	<u>5,889,372</u>
Total expenses before depreciation	<u>26,556,327</u>	<u>3,044,744</u>	<u>511,724</u>	<u>30,112,795</u>
Depreciation	<u>150,494</u>	<u>47,773</u>	<u>-</u>	<u>198,267</u>
TOTAL EXPENSES	<u><u>\$ 26,706,821</u></u>	<u><u>\$ 3,092,517</u></u>	<u><u>\$ 511,724</u></u>	<u><u>\$ 30,311,062</u></u>

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, 2021 and 2020

	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
Equipment rentals	88,833	6,806	664	96,303
Equipment/software 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/advocacy	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 Cash Flows
 Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (55,138)	\$ (416,035)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation	198,267	247,726
Changes in operating assets and liabilities, net		
Due from grantors	566,736	(914,710)
Accounts receivable - other	2,376	18,355
Contributions receivable	114,576	124,576
Prepaid expenses	(34,948)	(87,803)
Accounts payable and accrued liabilities	217,369	(879,892)
Refundable advances	(1,256,264)	9,803,068
	<u>(247,026)</u>	<u>7,895,285</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(211,943)
	<u>-</u>	<u>(211,943)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(146,588)	(141,000)
	<u>(146,588)</u>	<u>(141,000)</u>
Net cash used in financing activities		
Change in cash and cash equivalents	(393,614)	7,542,342
CASH AND CASH EQUIVALENTS, beginning of year	<u>12,443,275</u>	<u>4,900,933</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 12,049,661</u>	<u>\$ 12,443,275</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 67,550</u>	<u>\$ 74,339</u>

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, 2021 and 2020, 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 85% and 86% of the total grant funding received by LANWT for the years ended December 31, 2021 and 2020, respectively.

LSC, a nonprofit corporation, administers the federal government's legal assistance program and provides continued support to LANWT through annual grants. During years ended December 31, 2021 and 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.

Additionally, TAJF provides funding for the Basic Civil Legal Services Program (BCLS), the Crime Victims Civil Legal Services Grant (CVCLS) and smaller related grants. 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

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.

Escrow funds consist of cash and cash equivalents held on behalf of clients, and are recorded as escrow funds –client deposits asset and liability on the statements of financial position.

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, 2021 and 2020, 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. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of individual accounts and collection history. At December 31, 2021 and 2020, LANWT considered contributions receivable to be fully collectible. Accordingly, no allowance is recorded.

Prepaid Expenses

Prepaid expenses consist of payments made in advance for expenses related to future periods.

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. 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 allocated 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 \$2,015,108 (13,434 hours) for 2021 and \$1,763,301 (11,845 hours) for 2020.

Donated Funds

Contributions received are recorded as donated funds revenue without donor restrictions or donated funds 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.

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 to be 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

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.

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.

Additionally, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements to presentation and disclosure. The guidance is effective for fiscal years beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. This standard should be applied on a retrospective basis. Early adoption is permitted. LANWT is currently evaluating the effect that the new standard will have on its financial statements.

Subsequent Events

LANWT has evaluated subsequent events through April 28, 2022, 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

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:

	2021	2020
Victims of Crime Act (VOCA)	\$ 443,218	\$ 720,972
LSC - Pro Bono Innovation	78,088	-
City of Dallas Eviction Assistance	23,383	-
Office of Attorney General (OAG)	58,229	63,112
TAJF Emergency Rental Assistance	351,547	-
Low Income Taxpayers Clinic	18,996	32,883
Safe Haven of Tarrant County	6,500	7,997
CVCLS	11,454	32,755
TAJF Corona Virus Relief Funding	-	600,645
Emergency Solutions Grant	-	62,651
Statewide Disaster Recovery	1,292	30,755
Equal Justice Works Elder Justice Fellowship	15,108	-
Coronavirus Relief Fund Eviction Assistance	-	50,000
Crime Victim Assistance/Discretionary Grants	20,987	16,719
Others	22,951	-
	\$ 1,051,753	\$ 1,618,489

Note 3. Property and Equipment

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

	2021	2020
Buildings	\$ 6,273,238	\$ 6,273,238
Equipment, software and furniture	792,404	792,404
	7,065,642	7,065,642
Accumulated depreciation	(4,473,959)	(4,275,692)
	2,591,683	2,789,950
Land	474,875	474,875
Total	\$ 3,066,558	\$ 3,264,825

Total depreciation expense was \$198,267 and \$247,726 for the years ended December 31, 2021 and 2020, respectively.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 4. Refundable Advances

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

	2021	2020
LSC - Basic Field Grant	\$ 3,480,017	\$ 3,130,649
LSC - Pro Bono Innovation	-	22,516
LSC - COVID-19 Response	-	236,562
BCLS	6,006,975	5,484,215
Equal Justice Works Fellowship	8,463	9,600
Tankersley Fellowship	-	11,900
LACH Community Redevelopment Program	-	551,595
LACH Foreclosure Prevention	-	132,976
Legal Aid to Veterans II - Extended Services	128,720	148,651
Legal Aid for Survivors of Sexual Assault	528,624	520,788
Legal Aid - Employment Intersect Criminal/Civil Justice	110,149	313,048
Legal Aid - Housing	-	249,716
Legal Aid - Self-Help Expansion	-	221,881
Legal Aid - Rural Areas & Rural Delivery Systems	-	653,575
Legal Aid to Veterans	14,664	11,802
Others	316,491	150,893
	\$ 10,594,103	\$ 11,850,367

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.

	2021	2020
Balance of note as of December 31	\$ 1,394,256	\$ 1,540,844
Less current maturities	(152,213)	(146,587)
Long term maturities	\$ 1,242,043	\$ 1,394,257

The debt service requirements at December 31, 2021 are as follows:

Year Ending December 31,		
2022	\$	152,213
2023		158,054
2024		164,007
2025		170,413
2026		176,953
Thereafter		572,616
Total	\$	1,394,256

LANWT maintains fund accounting records that allow 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, 2021 and 2020, \$131,644 and \$120,904 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, 2021 and 2020:

	2021	2020
LSC - property	\$ 2,312,464	\$ 2,308,988
IOLTA fund - property	137,029	145,334
Other donations - property	152,216	193,816
Private donations	531,460	492,232
Time and purpose	120,000	234,576
Total net assets with donor restrictions	\$ 3,253,169	\$ 3,374,946

Releases from restriction were for the following grants and other purposes during the years ended December 31, 2021 and 2020:

	2021	2020
LSC	\$ 12,415,376	\$ 9,647,474
Veterans	658,764	567,079
Community Redevelopment	551,595	1,232,290
Foreclosure Prevention	132,976	317,487
BCLS	7,699,081	5,522,489
CVCLS	488,884	535,394
TAJF - Corona Virus Relief	-	970,000
Other grants	7,593,586	6,174,949
Private donations	137,953	94,301
Total release from restriction	\$ 29,678,215	\$ 25,061,463

Note 7. 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

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 8. 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, 2021 and 2020, LANWT contributed approximately \$781,000 and \$770,000, respectively.

Note 9. 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, 2021:

<u>Year Ending</u> <u>December 31,</u>		
2022	\$	887,852
2023		618,439
2024		335,835
2025		<u>156,924</u>
	\$	<u>1,999,050</u>

Total rental expense, exclusive of utilities, was \$1,008,424 and \$1,000,779 in 2021 and 2020, respectively.

At December 31, 2021, 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 10. 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, 2021 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 \$3.6 million and \$3.1 million in health and dental insurance expenses for the years ended December 31, 2021 and 2020, respectively.

Note 11. 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 \$11.9 million and \$12.2 million as of December 31, 2021 and 2020, 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.

Note 12. 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 13. Major Funding Sources

For the year ended December 31, 2021 and 2020, approximately 38% and 32% of LANWT's grant support was provided by LSC and 47% and 54% was provided by grants from TAJF, respectively.

The funding sources detailed below represent approximately 85% of LANWT's total grant support of \$27.5 million for 2021 and 86% of total grant support of \$22.8 million for 2020.

	2021	2020
Total Direct LSC Funding	\$ 10,396,340	\$ 7,259,146
Total Direct TAJF Funding	12,983,604	12,383,220

Note 14. 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 15. Long Term Contributions

At December 31, 2021 and 2020, 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 contributions receivable is included with donated funds in the accompanying Statement of Activities.

Contributions receivable at December 31, 2021 and 2020 are as follows:

	2021	2020
Receivable within one year	\$ 120,000	\$ 120,000
Receivable beyond one year	-	120,000
	120,000	240,000
Present value discount (4.52%)	-	(5,424)
Total contributions receivable, net	\$ 120,000	\$ 234,576

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 16. 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 assessed funds expended under the PPP loan and the related forgiveness requirements (including eligible costs and maintenance of employee counts), and in addition, all funds were expended within the allowable period that ended prior to December 31, 2020, in accordance with the requirements, and thus LANWT recorded the funds as contributions revenue on the accompanying Statement of Activities for the year ended December 31, 2020.

During the year ended December 31, 2021, LANWT received notice that their PPP loan was forgiven in full.

Note 17. Liquidity

As a nonprofit 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.

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.

	2021	2020
Cash and cash equivalents (see Note 4)	\$ 12,049,661	\$ 12,443,275
Contributions receivable - current	120,000	120,000
Accounts Receivable-other	19,271	21,647
Due from grantors	1,051,753	1,618,489
Total financial assets, year end	13,240,685	14,203,411
Less grantor and donor-imposed restrictions		
Time and purpose restrictions	(3,253,169)	(3,374,946)
Total financial assets not available to be used within one year	(3,253,169)	(3,374,946)
Total financial assets available to meet general expenditures within one year	\$ 9,987,516	\$ 10,828,465

Total restricted funds of \$3,253,169 and \$3,374,946 at December 31, 2021 and 2020 include \$2,312,464 and \$2,308,988 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, 2021 and 2020, cash and cash equivalents include \$10,594,103 and \$11,850,367 related to refundable advances from grantors.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 18. LSC Carryover

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%.

The excess subject to waiver for the year ended December 31, 2021 was \$3,480,017 (34%). As of December 31, 2021, LSC carryforward of \$3,480,017 is included in refundable advances on the Statement of Financial Position.

The excess subject to waiver for the year ended December 31, 2020 was \$3,130,649 (32%). 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 was included in refundable advances on the Statement of Financial Position.

This Page Intentionally Left Blank

Supplementary Information

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2021 and Memorandum Totals for Year Ended December 31, 2020

	Basic Field Grant			Pro Bono Innovation
	LSC	LSC-PAI	Fundraising	
SUPPORT AND REVENUE				
Grants and contracts	\$ 9,153,642	\$ 340,820	\$ 505,467	\$ 159,849
Contributions	-	-	-	-
Attorney fees	4,701	-	-	-
Donated funds	-	-	-	-
Donated services	2,015,108	-	-	-
Interest	2,703	-	-	-
Other income	-	-	-	-
Total revenue grants and contracts	11,176,154	340,820	505,467	159,849
Attorney salaries and wages	3,598,276	57,818	-	77,392
Non-attorneys salaries and wages	2,314,544	165,141	313,496	26,953
Payroll taxes	451,122	16,554	22,863	7,703
Fringe benefits	1,374,552	51,945	58,414	27,048
Total personnel	7,738,494	291,458	394,773	139,096
Legal consultants - donated	2,015,108	-	-	-
Contract services	398,270	9,561	50,924	16,983
Travel and training	103,475	2,971	1,626	1,241
Occupancy	434,555	20,053	8,303	786
Building interest	62,601	-	-	-
Purchases and materials	112,351	831	386	330
Equipment rentals	38,808	1,120	746	48
Equipment/software maintenance and repairs	44,744	1,281	21,985	39
Office supplies	47,321	4,699	6,742	155
Printing	443	2	2,598	-
Postage	13,258	493	2,765	12
Bank service charges	10,731	-	-	-
Telephone	320,107	6,557	9,921	1,061
Advertising	-	-	395	-
Insurance	40,326	1,009	878	98
Dues	33,933	-	3,350	-
Recruiting/advocacy	43,810	-	75	-
Litigation	30,466	785	-	-
Miscellaneous	62,651	-	-	-
Administrative allocation	(511,145)	-	-	-
Total other expenses	3,301,813	49,362	110,694	20,753
Total expenses before depreciation	11,040,307	340,820	505,467	159,849
Excess (deficiency) of support and revenue over expenses before depreciation	135,847	-	-	-
Depreciation	132,371	-	-	-
Change in net assets	\$ 3,476	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	<u>COVID-19 Response</u>	<u>Total Direct LSC Funding</u>	<u>Statewide Disaster Recovery</u>
SUPPORT AND REVENUE			
Grants and contracts	\$ 236,562	\$ 10,396,340	\$ 54,009
Contributions	-	-	-
Attorney fees	-	4,701	-
Donated funds	-	-	-
Donated services	-	2,015,108	-
Interest	-	2,703	-
Other income	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	236,562	12,418,852	54,009
Attorney salaries and wages	73,470	3,806,956	22,123
Non-attorneys salaries and wages	-	2,820,134	20,765
Payroll taxes	5,027	503,269	2,959
Fringe benefits	14,423	1,526,382	7,455
	<hr/>	<hr/>	<hr/>
Total personnel	92,920	8,656,741	53,302
Legal consultants - donated	-	2,015,108	-
Contract services	119,107	594,845	-
Travel and training	2,788	112,101	707
Occupancy	-	463,697	-
Building interest	-	62,601	-
Purchases and materials	-	113,898	-
Equipment rentals	-	40,722	-
Equipment/software maintenance and repairs	-	68,049	-
Office supplies	19,108	78,025	-
Printing	2,639	5,682	-
Postage	-	16,528	-
Bank service charges	-	10,731	-
Telephone	-	337,646	-
Advertising	-	395	-
Insurance	-	42,311	-
Dues	-	37,283	-
Recruiting/advocacy	-	43,885	-
Litigation	-	31,251	-
Miscellaneous	-	62,651	-
Administrative allocation	-	(511,145)	-
	<hr/>	<hr/>	<hr/>
Total other expenses	143,642	3,626,264	707
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	236,562	12,283,005	54,009
Excess (deficiency) of support and revenue over expenses before depreciation	-	135,847	-
Depreciation	-	132,371	41,425
	<hr/>	<hr/>	<hr/>
Change in net assets	\$ -	\$ 3,476	\$ (41,425)

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	BCLS	BCLS PAI	Total BCLS	CVCLS
SUPPORT AND REVENUE				
Grants and contracts	\$ 7,156,909	\$ 542,172	\$ 7,699,081	\$ 488,884
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	7,156,909	542,172	7,699,081	488,884
PERSONNEL				
Attorney salaries and wages	3,213,366	-	3,213,366	283,058
Non-attorneys salaries and wages	1,509,251	338,808	1,848,059	44,056
Payroll taxes	349,594	25,051	374,645	23,113
Fringe benefits	1,109,059	82,606	1,191,665	78,059
	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel	6,181,270	446,465	6,627,735	428,286
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	22,528	25,908	48,436	746
Travel and training	2,380	-	2,380	1,589
Occupancy	305,910	25,983	331,893	23,110
Building interest	-	-	-	-
Purchases and materials	86,719	1,706	88,425	1,692
Equipment rentals	21,885	1,858	23,743	1,520
Equipment/software maintenance and repairs	11,417	852	12,269	766
Office supplies	25,344	2,649	27,993	1,781
Printing	1	-	1	-
Postage	7,169	1,242	8,411	883
Bank service charges	-	-	-	-
Telephone	194,791	16,059	210,850	9,596
Advertising	-	-	-	-
Insurance	24,222	1,745	25,967	1,578
Dues	-	-	-	-
Recruiting/advocacy	-	-	-	-
Litigation	10,403	-	10,403	834
Miscellaneous	-	-	-	-
Administrative allocation	262,870	17,705	280,575	16,503
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	975,639	95,707	1,071,346	60,598
Total expenses before depreciation	7,156,909	542,172	7,699,081	488,884
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	LACH Community Redevelopment	LACH Foreclosure Prevention	Legal Aid to Veterans	Legal Aid to Veterans II - Extended Services
SUPPORT AND REVENUE				
Grants and contracts	\$ 551,595	\$ 132,976	\$ 290,159	\$ 368,605
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
	<hr/>			
Total revenue grants and contracts	551,595	132,976	290,159	368,605
PERSONNEL				
Attorney salaries and wages	256,811	99,609	142,982	190,660
Non-attorneys salaries and wages	129,563	5,392	51,084	51,188
Payroll taxes	23,348	5,855	13,634	18,032
Fringe benefits	92,648	22,120	45,533	60,292
	<hr/>			
Total personnel	502,370	132,976	253,233	320,172
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	-	-	375	602
Travel and training	698	-	23	36
Occupancy	48,527	-	16,526	20,985
Building interest	-	-	-	-
Purchases and materials	-	-	995	1,332
Equipment rentals	-	-	1,058	1,495
Equipment/software maintenance and repairs	-	-	438	590
Office supplies	-	-	1,185	1,586
Printing	-	-	-	-
Postage	-	-	599	807
Bank service charges	-	-	-	-
Telephone	-	-	5,043	6,920
Advertising	-	-	-	-
Insurance	-	-	964	1,271
Dues	-	-	-	-
Recruiting/advocacy	-	-	-	-
Litigation	-	-	-	100
Miscellaneous	-	-	-	-
Administrative allocation	-	-	9,720	12,709
	<hr/>			
Total other expenses	49,225	-	36,926	48,433
	<hr/>			
Total expenses before depreciation	551,595	132,976	290,159	368,605
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	-	-	-
	<hr/>			
Change in net assets	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	Legal Aid - Rural Areas & Rural Delivery Systems	Legal Aid - Self-Help Expansion	Legal Aid - Employment Intersect Criminal/Civil Justice	Legal Aid - Housing
SUPPORT AND REVENUE				
Grants and contracts	\$ 1,292,758	\$ 339,778	\$ 386,216	\$ 458,388
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	1,292,758	339,778	386,216	458,388
PERSONNEL				
Attorney salaries and wages	631,888	173,804	209,290	282,811
Non-attorneys salaries and wages	248,646	61,764	47,399	27,885
Payroll taxes	63,943	16,697	18,980	22,632
Fringe benefits	216,100	57,645	62,955	78,777
	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel	1,160,577	309,910	338,624	412,105
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	2,744	658	620	1,036
Travel and training	5,562	608	234	187
Occupancy	57,235	12,282	17,388	20,555
Building interest	-	-	-	-
Purchases and materials	523	151	1,276	191
Equipment rentals	5,027	108	1,224	1,474
Equipment/software maintenance and repairs	2,069	700	647	731
Office supplies	6,714	1,197	1,563	1,289
Printing	2,154	-	-	-
Postage	2,645	75	864	577
Bank service charges	-	-	-	-
Telephone	21,247	4,300	9,063	14,368
Advertising	-	-	-	-
Insurance	4,586	1,340	1,316	1,664
Dues	-	-	-	-
Recruiting/advocacy	-	-	-	-
Litigation	-	-	-	-
Miscellaneous	-	-	-	-
Administrative allocation	21,675	8,449	13,397	4,211
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	132,181	29,868	47,592	46,283
Total expenses before depreciation	1,292,758	339,778	386,216	458,388
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	-	-	-
Change in net assets	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	LASSA	IOLTA	Emergency Rental Assistance	Tarrant County Eviction
SUPPORT AND REVENUE				
Grants and contracts	\$ 975,164	\$ -	\$ 1,021,975	\$ 4,200
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	975,164	-	1,021,975	4,200
PERSONNEL				
Attorney salaries and wages	475,386	-	522,219	-
Non-attorneys salaries and wages	144,723	-	162,799	-
Payroll taxes	45,904	-	54,541	-
Fringe benefits	156,404	-	168,483	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel	822,417	-	908,042	-
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	2,997	-	4,617	-
Travel and training	13,451	-	10,189	-
Occupancy	66,463	-	45,389	-
Building interest	-	-	-	-
Purchases and materials	3,723	-	2,747	4,200
Equipment rentals	3,857	-	2,291	-
Equipment/software maintenance and repairs	1,434	-	1,619	-
Office supplies	2,692	-	4,432	-
Printing	-	-	1,959	-
Postage	1,820	-	658	-
Bank service charges	-	-	-	-
Telephone	9,776	-	24,154	-
Advertising	-	-	-	-
Insurance	3,425	-	3,262	-
Dues	240	-	-	-
Recruiting/advocacy	-	-	-	-
Litigation	6,697	-	95	-
Miscellaneous	-	-	-	-
Administrative allocation	36,172	-	12,521	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	152,747	-	113,933	4,200
Total expenses before depreciation	975,164	-	1,021,975	4,200
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	-	8,305	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	\$ -	\$ (8,305)	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	IRS	SafeHaven	OVAG	Tankersley Fellowship
SUPPORT AND REVENUE				
Grants and contracts	\$ 100,000	\$ 33,387	\$ 165,117	\$ 49,400
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	100,000	33,387	165,117	49,400
PERSONNEL				
Attorney salaries and wages	75,978	25,553	115,918	38,285
Non-attorneys salaries and wages	-	-	-	-
Payroll taxes	5,353	1,793	8,344	2,630
Fringe benefits	18,629	6,037	26,149	8,485
	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel	99,960	33,383	150,411	49,400
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	-	-	-	-
Travel and training	40	4	400	-
Occupancy	-	-	8,688	-
Building interest	-	-	-	-
Purchases and materials	-	-	-	-
Equipment rentals	-	-	474	-
Equipment/software maintenance and repairs	-	-	278	-
Office supplies	-	-	577	-
Printing	-	-	-	-
Postage	-	-	355	-
Bank service charges	-	-	-	-
Telephone	-	-	3,348	-
Advertising	-	-	-	-
Insurance	-	-	586	-
Dues	-	-	-	-
Recruiting/advocacy	-	-	-	-
Litigation	-	-	-	-
Miscellaneous	-	-	-	-
Administrative allocation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	40	4	14,706	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	100,000	33,387	165,117	49,400
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-
Depreciation	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	Equal Justice Works Fellowship	City of Dallas Eviction	City of Dallas Eviction Outreach
SUPPORT AND REVENUE			
Grants and contracts	\$ 51,137	\$ 200,000	\$ 25,000
Contributions	-	-	-
Attorney fees	-	-	-
Donated funds	-	-	-
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	51,137	200,000	25,000
PERSONNEL			
Attorney salaries and wages	51,137	77,493	-
Non-attorneys salaries and wages	-	6,696	-
Payroll taxes	-	6,204	-
Fringe benefits	-	21,756	-
	<hr/>	<hr/>	<hr/>
Total personnel	51,137	112,149	-
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	85,465	25,000
Travel and training	-	2,386	-
Occupancy	-	-	-
Building interest	-	-	-
Purchases and materials	-	-	-
Equipment rentals	-	-	-
Equipment/software maintenance and repairs	-	-	-
Office supplies	-	-	-
Printing	-	-	-
Postage	-	-	-
Bank service charges	-	-	-
Telephone	-	-	-
Advertising	-	-	-
Insurance	-	-	-
Dues	-	-	-
Recruiting/advocacy	-	-	-
Litigation	-	-	-
Miscellaneous	-	-	-
Administrative allocation	-	-	-
	<hr/>	<hr/>	<hr/>
Total other expenses	-	87,851	25,000
Total expenses before depreciation	51,137	200,000	25,000
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-
Depreciation	<hr/>	<hr/>	<hr/>
Change in net assets	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	DA VOCA	VOCA	EJW Elder Justice Fellowships
SUPPORT AND REVENUE			
Grants and contracts	\$ 70,201	\$ 2,131,393	\$ 85,217
Contributions	-	-	-
Attorney fees	-	-	-
Donated funds	-	-	-
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	70,201	2,131,393	85,217
PERSONNEL			
Attorney salaries and wages	51,218	1,226,931	78,282
Non-attorneys salaries and wages	-	266,037	-
Payroll taxes	4,182	108,790	1,489
Fringe benefits	14,801	371,647	5,118
	70,201	1,973,405	84,889
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	-	-
Travel and training	-	8,960	-
Occupancy	-	73,373	-
Building interest	-	-	-
Purchases and materials	-	-	-
Equipment rentals	-	-	-
Equipment/software maintenance and repairs	-	-	-
Office supplies	-	6,785	-
Printing	-	-	228
Postage	-	-	-
Bank service charges	-	-	-
Telephone	-	29,732	-
Advertising	-	-	-
Insurance	-	-	-
Dues	-	-	-
Recruiting/advocacy	-	-	-
Litigation	-	-	100
Miscellaneous	-	-	-
Administrative allocation	-	39,138	-
	-	157,988	328
Total other expenses	-	157,988	328
Total expenses before depreciation	70,201	2,131,393	85,217
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-
Depreciation	-	-	-
Change in net assets	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	King Foundation	Wells Fargo	Restricted Misc	Progressive Dinner
SUPPORT AND REVENUE				
Grants and contracts	\$ 73,140	\$ 27,376	\$ 33,887	\$ -
Contributions	-	-	-	-
Attorney fees	-	-	-	-
Donated funds	-	-	13,539	9,580
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	73,140	27,376	47,426	9,580
PERSONNEL				
Attorney salaries and wages	55,333	15,918	25,553	-
Non-attorneys salaries and wages	-	-	49	-
Payroll taxes	4,089	1,429	1,840	-
Fringe benefits	13,718	4,134	6,446	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel	73,140	21,481	33,888	-
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	-	-	-	-
Travel and training	-	115	1,590	84
Occupancy	-	756	-	-
Building interest	-	-	4,949	-
Purchases and materials	-	1,900	360	-
Equipment rentals	-	48	-	-
Equipment/software maintenance and repairs	-	58	-	-
Office supplies	-	73	160	-
Printing	-	-	-	-
Postage	-	34	-	-
Bank service charges	-	-	-	189
Telephone	-	326	-	-
Advertising	-	-	-	-
Insurance	-	96	-	-
Dues	-	-	-	-
Recruiting/advocacy	-	-	-	-
Litigation	-	-	-	-
Miscellaneous	-	-	-	-
Administrative allocation	-	2,489	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	-	5,895	7,059	273
Total expenses before depreciation	73,140	27,376	40,947	273
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	6,479	9,307
Depreciation	<hr/>	<hr/>	173	<hr/>
Change in net assets	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 6,306</u>	<hr/> <u>\$ 9,307</u>

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	Restricted for CLC	Total Misc Restricted	Total Restricted Non-LSC
SUPPORT AND REVENUE			
Grants and contracts	\$ -	\$ 33,887	\$ 17,109,043
Contributions	-	-	-
Attorney fees	-	-	-
Donated funds	5,424	28,543	28,543
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	5,424	62,430	17,137,586
PERSONNEL			
Attorney salaries and wages	64,614	90,167	8,406,220
Non-attorneys salaries and wages	7,156	7,205	3,123,261
Payroll taxes	5,454	7,294	835,880
Fringe benefits	19,337	25,783	2,754,393
	96,561	130,449	15,119,754
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	-	173,296
Travel and training	-	1,674	49,243
Occupancy	-	-	743,170
Building interest	-	4,949	4,949
Purchases and materials	-	360	107,515
Equipment rentals	-	-	42,319
Equipment repairs	-	-	21,599
Office supplies	-	160	58,027
Printing	-	-	4,342
Postage	-	-	17,728
Bank service charges	-	189	189
Telephone	-	-	348,723
Advertising	-	-	-
Insurance	-	-	46,055
Dues	-	-	240
Recruiting	-	-	-
Litigation	-	-	18,229
Miscellaneous	-	-	-
Administrative allocation	-	-	457,559
Total other expenses	-	7,332	2,093,183
Total expenses before depreciation	96,561	137,781	17,212,937
Excess (deficiency) of support and revenue over expenses before depreciation	(91,137)	(75,351)	(75,351)
Depreciation	-	173	49,903
Change in net assets	\$ (91,137)	\$ (75,524)	\$ (125,254)

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	<u>DBA JT Campaign</u>	<u>Women's Advocacy</u>	<u>Tarrant County Trivia Night</u>	<u>Unrestricted General</u>	<u>Total Unrestricted</u>
SUPPORT AND REVENUE					
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-
Attorney fees	-	-	-	-	-
Donated funds	536,919	40,094	20,208	93,541	690,762
Donated services	-	-	-	-	-
Interest	-	-	-	4,509	4,509
Other income	-	-	-	4,215	4,215
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	536,919	40,094	20,208	102,265	699,486
PERSONNEL					
Attorney salaries and wages	195,462	-	-	2,086	197,548
Non-attorneys salaries and wages	135,138	-	-	147	135,285
Payroll taxes	24,518	-	-	151	24,669
Fringe benefits	88,903	-	-	523	89,426
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel	444,021	-	-	2,907	446,928
OTHER EXPENSES					
Legal consultants - donated	-	-	-	-	-
Contract services	787	-	819	37,998	39,604
Travel and training	625	201	7	-	833
Occupancy	9,862	-	-	-	9,862
Building interest	-	-	-	-	-
Purchases and materials	2,251	-	-	-	2,251
Equipment rentals	2,063	-	-	-	2,063
Equipment/software maintenance and repairs	648	-	-	-	648
Office supplies	1,622	150	3,037	470	5,279
Printing	153	-	-	-	153
Postage	1,745	55	-	-	1,800
Bank service charges	-	976	348	2,231	3,555
Telephone	17,702	-	-	-	17,702
Advertising	-	-	-	-	-
Insurance	1,674	-	-	-	1,674
Dues	180	-	-	29,163	29,343
Recruiting/advocacy	-	-	-	14	14
Litigation	-	-	-	-	-
Miscellaneous	-	391	-	1,167	1,558
Administrative allocation	53,586	-	-	-	53,586
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	92,898	1,773	4,211	71,043	169,925
Total expenses before depreciation	536,919	1,773	4,211	73,950	616,853
Excess (deficiency) of support and revenue over expenses before depreciation	-	38,321	15,997	28,315	82,633
Depreciation	-	-	-	15,993	15,993
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	\$ -	\$ 38,321	\$ 15,997	\$ 12,322	\$ 66,640

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2021 and
 Memorandum Totals for Year Ended December 31, 2020

	<u>2021</u> <u>Totals</u>	<u>2020</u> <u>Totals</u>
SUPPORT AND REVENUE		
Grants and contracts	\$ 27,505,383	\$ 22,763,027
Contributions	-	1,950,000
Attorney fees	4,701	-
Donated funds	719,305	633,289
Donated services	2,015,108	1,763,301
Interest	7,212	17,086
Other income	4,215	1,726
	<hr/>	<hr/>
Total revenue grants and contracts	30,255,924	27,128,429
PERSONNEL		
Attorney salaries and wages	12,410,724	11,093,794
Non-attorneys salaries and wages	6,078,680	5,711,349
Payroll taxes	1,363,818	1,187,349
Fringe benefits	4,370,201	3,877,071
	<hr/>	<hr/>
Total personnel	24,223,423	21,869,563
OTHER EXPENSES		
Legal consultants - donated	2,015,108	1,763,301
Contract services	807,745	556,892
Travel and training	162,177	165,091
Occupancy	1,216,729	1,173,681
Building interest	67,550	74,339
Purchases and materials	223,664	383,992
Equipment rentals	85,104	96,303
Equipment/software maintenance and repairs	90,296	69,837
Office supplies	141,331	127,756
Printing	10,177	16,277
Postage	36,056	55,624
Bank service charges	14,475	12,618
Telephone	704,071	702,051
Advertising	395	19,904
Insurance	90,040	76,116
Dues	66,866	64,238
Recruiting/advocacy	43,899	16,751
Litigation	49,480	50,363
Miscellaneous	64,209	2,041
Administrative allocation	-	-
	<hr/>	<hr/>
Total other expenses	5,889,372	5,427,175
Total expenses before depreciation	30,112,795	27,296,738
Excess (deficiency) of support and revenue revenue over expenses before depreciation	143,129	(168,309)
Depreciation	<hr/>	<hr/>
Change in net assets	198,267	247,726
	<hr/>	<hr/>
	\$ (55,138)	\$ (416,035)

This Page Intentionally Left Blank

Legal Aid of NorthWest Texas
 Statements of Changes in Net Assets
 Years Ended December 31, 2021 and 2020

	2021								
	LSC	With Donor Restrictions			Total With Donor Restrictions	Without Donor Restrictions		Total Without Donor Restrictions	Total
Time and Purpose		Miscellaneous	Property	General		Property			
Excess (deficiency) of support and revenue over expenses	\$ 135,847	\$ 5,424	\$ (80,772)	\$ (182,276)	\$ (121,777)	\$ 82,631	\$ (15,992)	\$ 66,639	\$ (55,138)
Other releases of restrictions									
Receipt of contributions	-	(120,000)	120,000	-	-	-	-	-	-
Retirement of long-term debt	(135,847)	-	-	135,847	-	(10,740)	10,740	-	-
Total changes in net assets	(135,847)	(120,000)	120,000	135,847	-	(10,740)	10,740	-	-
Increase (decrease) in net assets	-	(114,576)	39,228	(46,429)	(121,777)	71,891	(5,252)	66,639	(55,138)
Net assets, beginning of year	-	234,576	492,232	2,648,138	3,374,946	212,519	166,591	379,110	3,754,056
Net assets, end of year	\$ -	\$ 120,000	\$ 531,460	\$ 2,601,709	\$ 3,253,169	\$ 284,410	\$ 161,339	\$ 445,749	\$ 3,698,918

	2020								
	LSC	With Donor Restrictions			Total With Donor Restrictions	Without Donor Restrictions		Total Without Donor Restrictions	Total
		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)	\$ 83,583	\$ (416,035)
Other releases of restrictions									
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 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)	83,583	(416,035)
Net assets, beginning of year	565,315	359,152	412,838	2,537,259	3,874,564	123,275	172,252	295,527	4,170,091
Net assets, end of year	\$ -	\$ 234,576	\$ 492,232	\$ 2,648,138	\$ 3,374,946	\$ 212,519	\$ 166,591	\$ 379,110	\$ 3,754,056

Legal Aid of NorthWest Texas
Private Attorney Involvement
Schedule of Expenses
Year Ended December 31, 2021

PERSONNEL EXPENSES

Salaries and wages	
Attorneys	\$ 317,277
Non-attorneys	666,039
Payroll taxes	72,800
Fringe benefits	<u>246,098</u>
Total personnel expenses	1,302,214

OTHER EXPENSES

Contract services	53,238
Travel and training	4,834
Occupancy	56,683
Purchases and materials	5,119
Equipment rentals	5,088
Equipment/software maintenance and repairs	2,817
Office supplies	8,325
Printing	155
Postage and freight	3,491
Telephone	41,380
Insurance	4,530
Litigation	785
Miscellaneous	979
Administrative Allocation	<u>71,293</u>
Total other expenses	<u>258,717</u>

TOTAL EXPENSES

\$ 1,560,931

Note: Private Attorney Involvement expenses included in LSC-PAI, BCLS-PAI, LSC Prop Bono Innovation, and DBA Jt Campaign represent approximately 15% of the Legal Services Corporation basic field grant of \$10,349,297

Legal Aid of NorthWest Texas
 Basic Civil Legal Services (BCLS and BCLS PAI)
 Schedule of Revenues and Expenses
 Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 7,699,081	\$ 7,400,000	\$ 299,081
EXPENSES			
Personnel			
Attorney salaries and wages	3,213,366	2,966,000	247,366
Non-attorney salaries and wages	1,848,059	2,052,000	(203,941)
	<u>5,061,425</u>	<u>5,018,000</u>	<u>43,425</u>
Payroll taxes and fringe benefits	1,566,310	1,440,900	125,410
Total personnel expenses	6,627,735	6,458,900	168,835
Total non-personnel	<u>1,071,346</u>	<u>941,100</u>	<u>130,246</u>
Total expenses	<u>7,699,081</u>	<u>7,400,000</u>	<u>299,081</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Crime Victims Civil Legal Services (CVCLS)
 Schedule of Revenues and Expenses
 Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 488,884	\$ 477,428	\$ 11,456
EXPENSES			
Personnel			
Attorney salaries and wages	283,058	273,490	9,568
Non-attorney salaries and wages	44,056	43,015	1,041
	<u>327,114</u>	<u>316,505</u>	<u>10,609</u>
Payroll taxes and fringe benefits	<u>101,172</u>	<u>98,208</u>	<u>2,964</u>
Total personnel expenses	428,286	414,713	13,573
Total non-personnel	<u>60,598</u>	<u>62,715</u>	<u>(2,117)</u>
Total expenses	<u>488,884</u>	<u>477,428</u>	<u>11,456</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid for Communities and Homeowners (LACH)
 Community Redevelopment Program
 Schedule of Revenues and Expenses
 Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 551,595	\$ 644,805	\$ (93,210)
EXPENSES			
Personnel			
Attorney salaries and wages	256,811	308,805	(51,994)
Non-attorney salaries and wages	<u>129,563</u>	<u>135,000</u>	<u>(5,437)</u>
	386,374	443,805	(57,431)
Payroll taxes and fringe benefits	<u>115,996</u>	<u>130,000</u>	<u>(14,004)</u>
Total personnel expenses	502,370	573,805	(71,435)
Total non-personnel	<u>49,225</u>	<u>71,000</u>	<u>(21,775)</u>
Total expenses	<u>551,595</u>	<u>644,805</u>	<u>(93,210)</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid for Communities and Homeowners (LACH)
 Foreclosure Prevention
 Schedule of Revenues and Expenses
 Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 132,976	\$ 135,085	\$ (2,109)
EXPENSES			
Personnel			
Attorney salaries and wages	99,609	100,000	(391)
Non-attorney salaries and wages	5,392	6,000	(608)
	<u>105,001</u>	<u>106,000</u>	<u>(999)</u>
Payroll taxes and fringe benefits	<u>27,975</u>	<u>29,085</u>	<u>(1,110)</u>
Total personnel expenses	132,976	135,085	(2,109)
Total non-personnel	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>132,976</u>	<u>135,085</u>	<u>(2,109)</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, 2021

	Actual	Budget	Over (Under) Budget
GRANT	\$ 290,159	\$ 274,527	\$ 15,632
EXPENSES			
Personnel			
Attorney salaries and wages	142,982	142,725	257
Non-attorney salaries and wages	51,084	43,250	7,834
	194,066	185,975	8,091
Payroll taxes and fringe benefits	59,167	52,927	6,240
Total personnel expenses	253,233	238,902	14,331
Total non-personnel	36,926	35,625	1,301
Total expenses	290,159	274,527	15,632
CHANGES IN GRANT REVENUE AND EXPENSES	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Legal Aid to Veterans II – Extended Services
 Schedule of Revenues and Expenses
 Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 368,605	\$ 310,200	\$ 58,405
EXPENSES			
Personnel			
Attorney salaries and wages	190,660	175,500	15,160
Non-attorney salaries and wages	51,188	42,000	9,188
	<u>241,848</u>	<u>217,500</u>	<u>24,348</u>
Payroll taxes and fringe benefits	78,324	65,425	12,899
Total personnel expenses	320,172	282,925	37,247
Total non-personnel	<u>48,433</u>	<u>27,275</u>	<u>21,158</u>
Total expenses	<u>368,605</u>	<u>310,200</u>	<u>58,405</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, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 975,164	\$ 1,026,200	\$ (51,036)
EXPENSES			
Personnel			
Attorney salaries and wages	475,386	530,500	(55,114)
Non-attorney salaries and wages	144,723	154,000	(9,277)
	<u>620,109</u>	<u>684,500</u>	<u>(64,391)</u>
Payroll taxes and fringe benefits	<u>202,308</u>	<u>205,400</u>	<u>(3,092)</u>
Total personnel expenses	822,417	889,900	(67,483)
Total non-personnel	<u>152,747</u>	<u>136,300</u>	<u>16,447</u>
Total expenses	<u>975,164</u>	<u>1,026,200</u>	<u>(51,036)</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, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 1,292,758	\$ 1,289,558	\$ 3,200
EXPENSES			
Personnel			
Attorney salaries and wages	631,888	665,500	(33,612)
Non-attorney salaries and wages	248,646	241,000	7,646
	<u>880,534</u>	<u>906,500</u>	<u>(25,966)</u>
Payroll taxes and fringe benefits	280,043	272,000	8,043
Total personnel expenses	1,160,577	1,178,500	(17,923)
Total non-personnel	<u>132,181</u>	<u>111,058</u>	<u>21,123</u>
Total expenses	<u>1,292,758</u>	<u>1,289,558</u>	<u>3,200</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, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 339,778	\$ 358,926	\$ (19,148)
EXPENSES			
Personnel			
Attorney salaries and wages	173,804	184,000	(10,196)
Non-attorney salaries and wages	61,764	67,900	(6,136)
	<u>235,568</u>	<u>251,900</u>	<u>(16,332)</u>
Payroll taxes and fringe benefits	74,342	75,251	(909)
Total personnel expenses	309,910	327,151	(17,241)
Total non-personnel	<u>29,868</u>	<u>31,775</u>	<u>(1,907)</u>
Total expenses	<u>339,778</u>	<u>358,926</u>	<u>(19,148)</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, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 386,216	\$ 349,600	\$ 36,616
EXPENSES			
Personnel			
Attorney salaries and wages	209,290	185,200	24,090
Non-attorney salaries and wages	47,399	50,300	(2,901)
	<u>256,689</u>	<u>235,500</u>	<u>21,189</u>
Payroll taxes and fringe benefits	81,935	70,550	11,385
Total personnel expenses	338,624	306,050	32,574
Total non-personnel	<u>47,592</u>	<u>43,550</u>	<u>4,042</u>
Total expenses	<u>386,216</u>	<u>349,600</u>	<u>36,616</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, 2021

	Actual	Budget	Over (Under) Budget
GRANT	\$ 458,388	\$ 458,388	\$ -
EXPENSES			
Personnel			
Attorney salaries and wages	282,811	293,500	(10,689)
Non-attorney salaries and wages	27,885	28,000	(115)
	310,696	321,500	(10,804)
Payroll taxes and fringe benefits	101,409	96,450	4,959
Total personnel expenses	412,105	417,950	(5,845)
Total non-personnel	46,283	40,438	5,845
Total expenses	458,388	458,388	-
CHANGES IN GRANT REVENUE AND EXPENSES	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Emergency Rental Assistance
 Schedule of Revenues and Expenses
 Year Ended December 31, 2021

	Actual	Budget	Over (Under) Budget
GRANT	\$ 1,021,975	\$ 1,887,500	\$ (865,525)
EXPENSES			
Personnel			
Attorney salaries and wages	522,219	818,600	(296,381)
Non-attorney salaries and wages	162,799	409,300	(246,501)
	685,018	1,227,900	(542,882)
Payroll taxes and fringe benefits	223,024	369,300	(146,276)
Total personnel expenses	908,042	1,597,200	(689,158)
Total non-personnel	113,933	290,300	(176,367)
Total expenses	1,021,975	1,887,500	(865,525)
CHANGES IN GRANT REVENUE AND EXPENSES	\$ -	\$ -	\$ -

Federal and State Awards

Legal Aid of NorthWest Texas
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2021

FEDERAL GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM TITLE	Federal Assistance Listing Number	Contract Number	Federal Expenditures
Legal Services Corporation			
Legal Services Corporation			
Basic Field Grant	09.744050	744050	\$ 9,999,930
Pro Bono Innovation Fund	09.744050	PB19030	126,303
Pro Bono Innovation Fund	09.744050	GT-PB21S-00002	33,546
COVID-19 Response	09.744050	CV20109	<u>236,562</u>
TOTAL LEGAL SERVICES CORPORATION			10,396,341
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the City of Dallas			
Community Development Block Grant (Eviction Assistance Initiative)	14.218	MGT-2021-00015316	200,000
Community Development Block Grant (Eviction Assistance Initiative)	14.218	FHO-2021-00015640	<u>25,000</u>
Total Federal Assistance Listing Number 14.218			<u>225,000</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			225,000
U.S. DEPARTMENT OF TREASURY			
Internal Revenue Service			
Low Income Taxpayers Clinic	21.008	20-LITC0438-03	100,000
Passed through Tarrant County			
COVID-19: Emergency Rental Assistance Program	21.023	ERAE0080	4,200
Passed through Texas Access to Justice Foundation			
COVID-19: Emergency Rental Assistance Program	21.023	10087775	<u>1,021,975</u>
Total Federal Assistance Listing Number 21.023			<u>1,026,175</u>
TOTAL U.S. DEPARTMENT OF TREASURY			1,126,175
U.S. DEPARTMENT OF JUSTICE			
Passed through Texas Governor's Criminal Justice Division			
Crime Victims Assistance - Rural Safe at Home Project	16.575	1696414	2,131,393
Passed through Dallas County District Attorney			
Crime Victims Assistance - Family Violence Extension Project	16.575	N/A	<u>70,201</u>
Total Federal Assistance Listing Number 16.575			2,201,594
Passed through SafeHaven of Tarrant County			
Legal Assistance for Victims	16.524	2017-WL-AX-0009	33,387
Passed through Equal Justice Works			
Crime Victims Assistance/Discretionary Grants	16.582	2020-OVC-EJP-007	<u>85,217</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>2,320,198</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 14,067,714</u>

Legal Aid of NorthWest Texas
 Schedule of Expenditures of State Awards
 Year Ended December 31, 2021

STATE GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM TITLE	Contract Number	State Expenditures
<u>SUPREME COURT OF TEXAS</u>		
Texas Access to Justice Foundation		
Crime Victims Civil Legal Services	10083477 & 10086589	\$ 488,884
Basic Civil Legal Services	10083423	7,699,081
Legal Aid for Communities and Homeowners - Community Redevelopment Program	10081935	551,595
Legal Aid for Communities and Homeowners - Foreclosure Prevention	10081934	132,976
Legal Aid for Survivors of Sexual Assault	10083422	975,164
Legal Aid to Veterans	10083436	290,159
Legal Aid to Veterans II - Extended Services	10083837	368,605
Legal Aid - Employment Intersect Criminal/Civil Justice	10083925	386,216
Legal Aid - Housing	10083918	458,388
Legal Aid - Self-Help Expansion	10083919	339,778
Legal Aid - Rural Areas & Rural Delivery Systems	10083916	<u>1,292,758</u>
TOTAL SUPREME COURT OF TEXAS		12,983,604
<u>OFFICE OF THE ATTORNEY GENERAL</u>		
Other Victims Assistance Grant	2097558 & 2108884	<u>165,117</u>
TOTAL OFFICE OF THE ATTORNEY GENERAL		<u>165,117</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u><u>\$ 13,148,721</u></u>

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, 2021. 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. The 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.

Note 3. Changes in Grant Management Standards

In December 2021, the Texas Comptroller published the Texas Grant Management Standards (TxGMS) which replaces Uniform Grant Management Standards (UGMS). TxGMS will apply to state grants or contracts that begin on or after January 1, 2022.



**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, 2021, 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 28, 2022.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 28, 2022



**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

Opinion on Each Major Federal and State Program

We have audited Legal Aid of NorthWest Texas' (LANWT) compliance with the types of compliance requirements identified as subject to audit in the 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, 2021. 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.

In our opinion, LANWT complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of LANWT and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of LANWT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to LANWT's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LANWT's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, the Uniform Guidance and UGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about LANWT's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance and UGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding LANWT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of LANWT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of LANWT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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.

The Board of Directors of
Legal Aid of NorthWest Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance 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 28, 2022

Legal Aid of NorthWest Texas

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

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:

Federal Assistance Listing Number:

09.744050	Legal Services Corporation – Basic Field Grant, Telework Capacity Building, COVID-19 Response and Pro Bono Innovation Fund
21.023	COVID-19: Emergency Rental Assistance Program

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, 2021

State 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 UGMS? Yes No

Identification of major programs:

- Basic Civil Legal Services
- Legal Aid to Veterans II – Extended Services
- Legal Aid – Self-Help Expansion

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

Auditee qualified as low-risk auditee? Yes No

Legal Aid of Northwest Texas

Schedule of Findings and Questioned Costs - Continued Year Ended December 31, 2021

Section II – Financial Statement Findings

None noted.

Section III – Federal and State Award Findings and Questioned Costs

None noted.

Legal Aid of Northwest Texas

Status of Prior Year Findings
Year Ended December 31, 2021

Section IV – Summary Schedule of Prior Audit Findings

Finding 2020-001

Major State Program:

Texas Access to Justice Foundation: Legal Aid - Housing

Prior Year Finding:

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.

Status:

This finding has been corrected in the current year.