

Legal Aid of NorthWest Texas

Financial Report
December 31, 2023



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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 (LANWT) (a non-profit organization) which comprise the Statements of Financial Position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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.

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 Grant Management Standards, which include the State of Texas Single Audit Circular (TxGMS), and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2024 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 26, 2024

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Financial Statements

Legal Aid of NorthWest Texas

Statements of Financial Position December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (see Note 4)	\$ 9,048,114	\$ 8,887,562
Escrow funds - client deposits	2,843	32,086
Due from grantors	1,223,254	1,395,152
Accounts receivable	-	1,173
Prepaid expenses	426,633	370,117
	<hr/>	<hr/>
Total current assets	10,700,844	10,686,090
 NONCURRENT ASSETS		
Equipment, software and furniture	494,460	535,472
Accumulated depreciation	(430,877)	(427,966)
	<hr/>	<hr/>
Equipment, software and furniture, net	63,583	107,506
 Buildings	 6,318,238	 6,273,238
Accumulated depreciation	(4,134,343)	(3,984,647)
	<hr/>	<hr/>
Buildings, net	2,183,895	2,288,591
 Land	 474,875	 474,875
	<hr/>	<hr/>
Total property and equipment	2,722,353	2,870,972
 Financing lease right-of-use assets	 9,229	 13,185
Operating lease right-of-use assets	2,050,428	2,001,824
	<hr/>	<hr/>
Total noncurrent assets	4,782,010	4,885,981
	<hr/>	<hr/>
TOTAL ASSETS	\$ 15,482,854	\$ 15,572,071

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

LIABILITIES AND NET ASSETS	2023	2022
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,024,694	\$ 882,919
Escrow funds - client deposits	2,843	32,086
Refundable advances (see Note 4)	7,350,626	7,669,242
Note payable - current portion	164,007	158,054
Financing lease liabilities - current portion	3,958	3,861
Operating lease liabilities - current portion	831,501	814,734
Total current liabilities	9,377,629	9,560,896
LONG-TERM LIABILITIES		
Note payable - long-term portion	919,983	1,083,990
Financing lease liabilities - long-term portion	5,434	9,392
Operating lease liabilities - long-term portion	1,251,316	1,197,511
Total long-term liabilities	2,176,733	2,290,893
NET ASSETS		
Without donor restrictions		
General	737,991	459,533
General - property	152,087	156,499
Total without donor restrictions	890,078	616,032
With donor restrictions		
Other grants and contributions	461,390	541,073
Legal Services Corporation - property	2,387,585	2,323,835
Other grants and contributions - property	189,439	239,342
Total with donor restrictions	3,038,414	3,104,250
Total net assets	3,928,492	3,720,282
TOTAL LIABILITIES AND NET ASSETS	\$ 15,482,854	\$ 15,572,071

Legal Aid of NorthWest Texas
 Statements of Activities
 Years Ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions			2023 Total
		LSC	Non - LSC	Total	
REVENUES AND OTHER SUPPORT					
Grants and contracts	\$ -	\$ 12,446,802	\$ 19,631,094	\$ 32,077,896	\$ 32,077,896
Attorney fees	-	31,421	-	31,421	31,421
Donated funds	780,842	-	50,065	50,065	830,907
Donated services	-	1,484,195	-	1,484,195	1,484,195
Interest income	157,705	215,915	-	215,915	373,620
Other income	67,868	16,968	-	16,968	84,836
Net assets released from restrictions	33,942,296	(14,131,551)	(19,810,745)	(33,942,296)	-
Total revenues and other support	34,948,711	63,750	(129,586)	(65,836)	34,882,875
EXPENSES					
Program services	30,626,309	-	-	-	30,626,309
Management and general	3,375,753	-	-	-	3,375,753
Fundraising	672,603	-	-	-	672,603
Total expenses	34,674,665	-	-	-	34,674,665
Changes in net assets	274,046	63,750	(129,586)	(65,836)	208,210
NET ASSETS, beginning of year	616,032	2,323,835	780,415	3,104,250	3,720,282
NET ASSETS, end of year	\$ 890,078	\$ 2,387,585	\$ 650,829	\$ 3,038,414	\$ 3,928,492

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

Legal Aid of NorthWest Texas
 Statements of Activities – Continued
 Years Ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions			2022 Total
		LSC	Non - LSC	Total	
REVENUES AND OTHER SUPPORT					
Grants and contracts	\$ -	\$ 11,202,719	\$ 19,107,181	\$ 30,309,900	\$ 30,309,900
Attorney fees	-	5,151	-	5,151	5,151
Donated funds	901,299	-	157,202	157,202	1,058,501
Donated services	-	1,265,047	-	1,265,047	1,265,047
Interest income	59,551	53,437	-	53,437	112,988
Other income	651	-	-	-	651
Net assets released from restrictions	31,939,656	(12,514,983)	(19,424,673)	(31,939,656)	-
Total revenues and other support	32,901,157	11,371	(160,290)	(148,919)	32,752,238
EXPENSES					
Program services	29,043,870	-	-	-	29,043,870
Management and general	3,072,065	-	-	-	3,072,065
Fundraising	614,939	-	-	-	614,939
Total expenses	32,730,874	-	-	-	32,730,874
Changes in net assets	170,283	11,371	(160,290)	(148,919)	21,364
NET ASSETS, beginning of year	<u>445,749</u>	<u>2,312,464</u>	<u>940,705</u>	<u>3,253,169</u>	<u>3,698,918</u>
NET ASSETS, end of year	<u>\$ 616,032</u>	<u>\$ 2,323,835</u>	<u>\$ 780,415</u>	<u>\$ 3,104,250</u>	<u>\$ 3,720,282</u>

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, 2023 and 2022

	2023			
	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Attorney salaries and wages	\$ 12,102,176	\$ 414,206	\$ -	\$ 12,516,382
Non-attorney salaries and wages	5,191,264	914,455	238,947	6,344,666
Payroll taxes	1,294,763	100,835	19,801	1,415,399
Fringe benefits	4,492,402	286,823	57,644	4,836,869
LSC carryover - salaries & benefits	2,638,151	987,270	136,912	3,762,333
 Total personnel expenses	 25,718,756	 2,703,589	 453,304	 28,875,649
OTHER EXPENSES				
Legal consultants - donated	1,484,195	-	-	1,484,195
Contract services	166,168	203,439	79,355	448,962
Travel and training	273,467	63,788	8,046	345,301
Occupancy	1,461,680	54,677	8,576	1,524,933
Building interest	26,809	26,809	-	53,618
Purchases and materials	179,284	27,657	3,184	210,125
Equipment rentals	56,000	4,060	628	60,688
Equipment/software maintenance and repairs	55,029	51,412	30,056	136,497
Office supplies	162,745	18,044	48,270	229,059
Printing	12,143	152	8,415	20,710
Postage	44,249	4,701	11,356	60,306
Bank service charges	-	14,928	3,541	18,469
Telephone	595,602	65,293	10,056	670,951
Advertising	29,000	-	-	29,000
Insurance	97,920	5,506	849	104,275
Dues	55,460	9,066	3,272	67,798
Recruiting/advocacy	475	51,824	3,695	55,994
Litigation	57,631	-	-	57,631
Miscellaneous	-	26,885	-	26,885
 Total other expenses	 4,757,857	 628,241	 219,299	 5,605,397
 Total expenses before depreciation	 30,476,613	 3,331,830	 672,603	 34,481,046
Depreciation	149,696	43,923	-	193,619
TOTAL EXPENSES	\$ 30,626,309	\$ 3,375,753	\$ 672,603	\$ 34,674,665

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, 2023 and 2022

	2022			
	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Attorney salaries and wages	\$ 11,561,011	\$ 393,897	\$ -	\$ 11,954,908
Non-attorney salaries and wages	4,922,744	747,234	220,919	5,890,897
Payroll taxes	1,232,069	87,683	17,110	1,336,862
Fringe benefits	3,961,808	247,507	48,358	4,257,673
LSC carryover - salaries & benefits	2,461,380	873,942	144,695	3,480,017
Total personnel expenses	24,139,012	2,350,263	431,082	26,920,357
OTHER EXPENSES				
Legal consultants - donated	1,265,047	-	-	1,265,047
Contract services	239,350	307,708	40,085	587,143
Travel and training	210,945	30,600	4,404	245,949
Occupancy	1,457,754	38,894	6,407	1,503,055
Building interest	30,357	30,357	-	60,714
Purchases and materials	311,291	15,063	476	326,830
Equipment rentals	59,500	4,326	710	64,536
Equipment/software maintenance and repairs	49,670	59,161	28,818	137,649
Office supplies	157,338	38,632	43,472	239,442
Printing	14,787	474	31,349	46,610
Postage	45,856	4,251	9,043	59,150
Bank service charges	124	13,385	2,899	16,408
Telephone	558,962	64,719	10,617	634,298
Advertising	97,756	-	-	97,756
Insurance	92,730	5,523	907	99,160
Dues	60,500	9,849	4,245	74,594
Recruiting/advocacy	2,480	40,439	425	43,344
Litigation	101,273	-	-	101,273
Miscellaneous	168	11,805	-	11,973
Total other expenses	4,755,888	675,186	183,857	5,614,931
Total expenses before depreciation	28,894,900	3,025,449	614,939	32,535,288
Depreciation	148,970	46,616	-	195,586
TOTAL EXPENSES	\$ 29,043,870	\$ 3,072,065	\$ 614,939	\$ 32,730,874

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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 208,210	\$ 21,364
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Operating lease amortization	899,279	702,413
Finance lease amortization	3,956	1,648
Depreciation	193,619	195,586
Changes in operating assets and liabilities, net		
Due from grantors	171,898	(343,399)
Accounts receivable - other	1,173	18,098
Contributions receivable	-	120,000
Prepaid expenses	(56,516)	(29,291)
Accounts payable and accrued liabilities	141,775	(77,873)
Refundable advances	(318,616)	(2,924,861)
Operating lease liabilities	(877,311)	(691,992)
	367,467	(3,008,307)
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(45,000)	-
	(45,000)	-
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on financing leases	(3,861)	(1,580)
Payments on note payable	(158,054)	(152,212)
	(161,915)	(153,792)
Net cash used in financing activities		
Change in cash and cash equivalents	160,552	(3,162,099)
CASH AND CASH EQUIVALENTS, beginning of year	8,887,562	12,049,661
CASH AND CASH EQUIVALENTS, end of year	\$ 9,048,114	\$ 8,887,562
SUPPLEMENTAL INFORMATION		
Interest paid	\$ 53,618	\$ 60,714
Financing lease assets obtained in exchange for lease liabilities, net	\$ -	\$ 14,833
Operating lease assets obtained in exchange for lease liabilities, net	\$ 947,883	\$ 2,704,237

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 not for profit 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 31 offices, which encompass 114 counties. Its mission is to ensure equal access to justice and improve the lives of low-income communities by providing high-quality legal representation, strategic litigation, valuable legal advice, and meaningful collaborations, outreach, and community education.

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, 2023 and 2022, 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 80% and 75% of the total grant funding received by LANWT for the years ended December 31, 2023 and 2022, respectively.

LSC, a not for profit corporation, administers the federal government's legal assistance program and provides continued support to LANWT through annual grants. During years ended December 31, 2023 and 2022, 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 other 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

The majority of LANWT's accounts receivable are from recurring contracts with grantors. Receivables are typically received within 90 days of submitting a request for reimbursement (RFR) and are stated at amounts due based on the RFR. Accounts that are outstanding longer than the payment terms are considered past due.

LANWT recognizes an allowance for losses on accounts receivable in an amount equal to the current expected credit loss. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specifically identifiable accounts considered at risk or uncollectible. LANWT assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in general and administrative expenses.

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, 2023 and 2022, LANWT considered amounts due from grantors and others 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

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

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. 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 \$1,484,195 (9,575 hours) for 2023 and \$1,265,047 (8,431 hours) for 2022.

Donated Funds

During years ended December 31, 2023 and 2022, LANWT had donated funds of \$830,907 and \$1,058,501, respectively. 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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

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.

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

Measurement of Credit Losses on Financial Instruments

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which replaced the current incurred loss impairment methodology for measurement of credit losses on financial instruments, including LANWT's accounts receivable, with a methodology (the "current expected credit losses model" or "CECL model") that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the CECL model, the allowance for losses on financial assets, measured at amortized cost, reflects management's estimate of credit losses over the remaining expected life of such assets.

LANWT adopted ASU 2016-13 as of January 1, 2023 using the modified retrospective method, and the adoption did not have a material impact on its financial statements.

Subsequent Events

LANWT has evaluated subsequent events through April 26, 2024, 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:

	<u>2023</u>	<u>2022</u>
Victims of Crime Act (VOCA)	\$ 541,788	\$ 602,157
LSC - Pro Bono Innovation	68,778	123,434
LSC - Supplemental Disaster	179,170	86,910
LSC - Tech Improvement	35,000	-
City of Dallas Eviction Assistance	50,732	47,199
Office of Attorney General (OAG)	59,286	48,187
TAJF Emergency Rental Assistance	229,467	383,205
Tarrant County Emergency Rental Assistance	-	18,935
Low Income Taxpayers Clinic	16,367	24,354
Safe Haven of Tarrant County	-	7,889
CVCLS	26,234	-
Texas Homeowner Assistance Fund	-	19,964
Others	16,432	32,918
	<u>\$ 1,223,254</u>	<u>\$ 1,395,152</u>

Note 3. Property and Equipment

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

	<u>2023</u>	<u>2022</u>
Buildings	\$ 6,318,238	\$ 6,273,238
Equipment, software and furniture	494,460	535,472
	6,812,698	6,808,710
Accumulated depreciation	<u>(4,565,220)</u>	<u>(4,412,613)</u>
	2,247,478	2,396,097
Land	<u>474,875</u>	<u>474,875</u>
Total	<u>\$ 2,722,353</u>	<u>\$ 2,870,972</u>

Total depreciation expense was \$193,619 and \$195,586 for the years ended December 31, 2023 and 2022, 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 that exceed expenses applicable to the period January 1 through December 31, as detailed below:

	<u>2023</u>	<u>2022</u>
LSC - Basic Field Grant	\$ 4,694,902	\$ 3,762,333
CVCLS	-	31,546
BCLS	1,712,305	3,018,809
Equal Justice Works Fellowship	10,961	10,962
Wells Fargo	-	50,807
Capital One	34,977	32,643
Legal Aid to Veterans II - Extended Services	-	107,700
Legal Aid for Survivors of Sexual Assault	334,330	475,831
Legal Aid to Veterans	106,131	47,925
Legal Aid to Veterans III	-	118,318
Opioid Use Disorder	294,805	-
Child Mental Health Project	92,857	-
City of McKinney	49,928	-
Others	19,430	12,368
	<u>\$ 7,350,626</u>	<u>\$ 7,669,242</u>

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.

	<u>2023</u>	<u>2022</u>
Balance of note as of December 31,	\$ 1,083,990	\$ 1,242,044
Less current maturities	<u>(164,007)</u>	<u>(158,054)</u>
Long term maturities	<u>\$ 919,983</u>	<u>\$ 1,083,990</u>

Legal Aid of NorthWest Texas

Notes to Financial Statements

The debt service requirements at December 31, 2023 are as follows:

Year Ending December 31,		
2024	\$	164,007
2025		170,413
2026		176,953
2027		183,744
2028		190,757
Thereafter		198,116
Total	\$	1,083,990

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, 2023 and 2022, \$154,376 and \$142,796 has been attributed to the stone and has been charged to private funds.

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, 2023 and 2022:

	2023	2022
LSC - property	\$ 2,387,585	\$ 2,323,835
IOLTA fund - property	54,179	95,604
Other donations - property	135,260	143,738
Private donations	461,390	541,073
Total net assets with donor restrictions	\$ 3,038,414	\$ 3,104,250

Releases from restriction were for the following grants and other purposes during the years ended December 31, 2023 and 2022:

	2023	2022
LSC	\$ 14,131,551	\$ 12,514,983
Veterans	1,081,614	780,380
BCLS	9,905,415	9,154,547
CVCLS	567,966	467,185
Other grants	8,082,650	8,697,805
Private donations	173,100	324,756
Total release from restriction	\$ 33,942,296	\$ 31,939,656

Legal Aid of NorthWest Texas

Notes to Financial Statements

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.

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, 2023 and 2022, LANWT contributed approximately \$957,000 and \$915,000, respectively.

Note 9. Leases

LANWT leases many of its office facilities and office equipment under long-term, non-cancelable lease agreements. LANWT determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, current liabilities, and long-term liabilities on the statement of financial position. Finance leases are included in finance lease right-of-use (ROU) assets, current liabilities, and long-term liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities, and financing leases ROU assets liabilities, are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, LANWT uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The ROU assets also include any lease pre-payments made and exclude lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Legal Aid of NorthWest Texas

Notes to Financial Statements

In evaluating contracts to determine if they qualify as a lease, LANWT considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

None of LANWT's lease agreements contain contingent rental payments, material residual value guarantees or material restrictive covenants. The depreciable life of related leasehold improvements is based on the shorter of the useful life or the lease term. LANWT has no sublease agreements, and no lease agreements in which it is named as a lessor. LANWT performs interim reviews of its long-lived assets for impairment when evidence exists that the carrying value of an asset group, including a lease asset, may not be recoverable, and LANWT did not recognize an impairment expense associated with operating lease assets during 2023 or 2022.

LANWT has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, LANWT accounted for its existing operating leases as of January 1, 2022 as operating leases, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. The present value of LANWT's lease payments may include: (1) rental payments adjusted for inflation or market rates, and (2) lease terms with options to renew the lease when it is reasonably certain LANWT will exercise such an option. The exercise of lease renewal options is generally at LANWT's discretion. Payments based on a change in an index or market rate are not considered in the determination of lease payments for purposes of measuring the related lease liability. LANWT has elected to apply the short-term lease exemption whereby leases that are less than twelve months in duration are not included as ROU assets and lease liabilities. LANWT has also made an accounting policy election as a private entity to use a risk-free discount rate for its leases by asset class. The classes of underlying assets to which the elections are applied are office equipment and office space.

LANWT has lease agreements with lease and non-lease components, which are generally accounted for separately. These variable lease payments, which are primarily comprised of common area maintenance, utilities, and real estate taxes that are passed on from the lessor, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

LANWT'S leases contain various terms and expire at various dates through 2028. For leases containing renewal options, LANWT has evaluated whether it is reasonably certain to renew.

At December 31, 2023 and 2022, 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 schedule below does not reflect these reductions.

Legal Aid of NorthWest Texas

Notes to Financial Statements

The components of lease expense, cash flow information, and other information for the year-ended December 31, 2023 and 2022 were as follows:

	2023	2022
Lease cost		
Finance lease cost		
Amortization of right-of-use assets	\$ 3,956	\$ 1,580
Interest on lease liabilities	-	68
Operating lease cost, included in occupancy expenses	1,106,061	918,529
Short-term lease cost, included in occupancy expenses	53,151	118,051
Total lease cost	\$ 1,163,168	\$ 1,038,228

Cash paid for amounts included in the measurement of lease liabilities

Operating cash flows from finance leases	\$ 3,956	\$ 1,648
Operating cash flows from operating leases	\$ 899,279	\$ 702,413
Financing cash flows from finance leases	\$ (3,861)	\$ (1,580)
 Financing lease assets obtained in exchange for lease liabilities, net	 \$ -	 \$ 14,833
 Operating lease assets obtained in exchange for lease liabilities, net	 \$ 947,883	 \$ 2,704,237
 Weighted-average remaining lease term - finance leases	 2.33 years	 3.33 years
 Weighted-average remaining lease term - operating leases	 3.01 years	 2.87 years
 Weighted-average discount rate - finance leases	 2.50%	 2.50%
 Weighted-average discount rate - operating leases	 3.71%	 2.41%

Legal Aid of NorthWest Texas

Notes to Financial Statements

Future minimum lease payments and break-out of the current and long-term portion of lease liabilities under non-cancellable leases as of December 31, 2023 were as follows:

Year Ending December 31,	Operating Leases	Finance Leases	Total
2024	\$ 896,155	\$ 4,148	\$ 900,303
2025	645,130	4,148	649,278
2026	364,834	1,383	366,217
2027	230,291	-	230,291
2028	84,460	-	84,460
Total future minimum lease payments	2,220,870	9,679	2,230,549
Less imputed interest	(138,053)	(287)	(138,340)
	<u>\$ 2,082,817</u>	<u>\$ 9,392</u>	<u>\$ 2,092,209</u>
	Operating Leases	Finance Leases	Total
Current portion of lease liabilities	\$ 896,155	\$ 4,148	\$ 900,303
Lease liabilities - long-term portion	1,324,715	5,531	1,330,246
Total future minimum lease payments	2,220,870	9,679	2,230,549
Less imputed interest	(138,053)	(287)	(138,340)
Total	<u>\$ 2,082,817</u>	<u>\$ 9,392</u>	<u>\$ 2,092,209</u>

Future minimum lease payments and break-out of the current and long-term portion of lease liabilities under non-cancellable leases as of December 31, 2022 were as follows:

Year Ending December 31,	Operating Leases	Finance Leases	Total
2023	\$ 854,346	\$ 4,148	\$ 858,494
2024	642,244	4,148	646,392
2025	386,583	4,148	390,731
2026	132,667	1,382	134,049
2027	73,101	-	73,101
Total future minimum lease payments	2,088,941	13,826	2,102,767
Less imputed interest	(76,696)	(573)	(77,269)
	<u>\$ 2,012,245</u>	<u>\$ 13,253</u>	<u>\$ 2,025,498</u>
	Operating Leases	Finance Leases	Total
Current portion of lease liabilities	\$ 854,346	\$ 4,148	\$ 858,494
Lease liabilities - long-term portion	1,234,595	9,678	1,244,273
Total future minimum lease payments	2,088,941	13,826	2,102,767
Less imputed interest	(76,696)	(573)	(77,269)
Total	<u>\$ 2,012,245</u>	<u>\$ 13,253</u>	<u>\$ 2,025,498</u>

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, 2023 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 \$4.6 million and \$3.9 million in health and dental insurance expenses for the years ended December 31, 2023 and 2022, 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 \$8.7 million and \$8.8 million as of December 31, 2023 and 2022, respectively, and are invested by LANWT's financial institutions in money market accounts and repurchase agreements overnight to limit risk exposure. The Board of Directors has adopted the guidance issued by Legal Services Corporation regarding the excess funds on deposit. In accordance with LSC Accounting Guide for LSC Recipients, as revised, LANWT deposits funds in the excess of federally insured limits in money market accounts and repurchase agreements that invest in U.S. government securities.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 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 2022.

Note 13. Major Funding Sources

For the year ended December 31, 2023 and 2022, approximately 39% and 37% of LANWT's grant support was provided by LSC and 41% and 38% was provided by grants from TAJF, respectively.

The funding sources detailed below represent approximately 80% of LANWT's total grant support of \$32.1 million for 2023 and 75% of total grant support of \$30.3 million for 2022.

	<u>2023</u>	<u>2022</u>
Total Direct LSC Funding	\$ 12,446,802	\$ 11,202,719
Total Direct TAJF Funding	13,269,991	11,623,054

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.

Legal Aid of NorthWest Texas

Notes to Financial Statements

Note 15. Liquidity

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

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.

	2023	2022
Cash and cash equivalents (see Note 4)	\$ 9,048,114	\$ 8,887,562
Accounts Receivable-other	-	1,173
Due from grantors	1,223,254	1,395,152
Total financial assets, year end	10,271,368	10,283,887
Less grantor and donor-imposed restrictions		
Time and purpose restrictions	(3,038,414)	(3,104,250)
Total financial assets not available to be used within one year	(3,038,414)	(3,104,250)
Total financial assets available to meet general expenditures within one year	\$ 7,232,954	\$ 7,179,637

Total restricted funds of \$3,038,414 and \$3,104,250 at December 31, 2023 and 2022 include \$2,387,585 and \$2,323,835 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, 2023 and 2022, cash and cash equivalents include \$7,350,626 and \$7,669,242 related to refundable advances from grantors.

Note 16. 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%.

Legal Aid of NorthWest Texas

Notes to Financial Statements

The excess subject to waiver for the year ended December 31, 2023 was \$4,694,902 (36%). As of December 31, 2023, LSC carryforward of \$4,694,902 is included in refundable advances on the Statement of Financial Position.

The excess subject to waiver for the year ended December 31, 2022 was \$3,762,333 (33%). As of December 31, 2022, LSC carryforward of \$3,762,333 is included in refundable advances on the Statement of Financial Position.

Note 17. Contributions of Non-financial Assets

Contributed nonfinancial assets for the year ended December 31, 2023, consisted of the following:

	Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions
Professional Services	\$ 1,484,195	Client Services	No associated donor restrictions

Contributed nonfinancial assets for the year ended December 31, 2022, consisted of the following:

	Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions
Professional Services	\$ 1,265,047	Client Services	No associated donor restrictions

Professional services were valued based on estimated fair value on the basis of values that would be received for providing similar services in Fort Worth, Texas.

Supplementary Information

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2023 and Memorandum Totals for Year Ended December 31, 2022

	Basic Field Grant				Pro Bono Innovation
	LSC	LSC - Property	LSC-PAI	Fundraising	
SUPPORT AND REVENUE					
Grants and contracts	\$ 10,724,769	\$ 191,474	\$ 450,662	\$ 629,208	\$ 94,938
Attorney fees	31,421	-	-	-	-
Donated funds	-	-	-	-	-
Donated services	1,484,195	-	-	-	-
Interest	215,915	-	-	-	-
Other income	16,968	-	-	-	-
Total revenue grants and contracts	12,473,268	191,474	450,662	629,208	94,938
Attorney salaries and wages	5,059,418	-	88,821	-	40,568
Non-attorneys salaries and wages	3,214,186	-	210,034	344,901	25,475
Payroll taxes	622,772	-	22,506	26,875	4,946
Fringe benefits	2,056,888	-	77,361	81,528	18,144
Total personnel	10,953,264	-	398,722	453,304	89,133
Legal consultants - donated	1,484,195	-	-	-	-
Contract services	203,970	-	999	78,145	-
Travel and training	175,610	-	2,293	7,931	-
Occupancy	529,499	-	23,752	8,576	2,612
Building interest	49,690	-	-	-	-
Purchases and materials	81,562	-	3,110	3,184	48
Equipment rentals	24,012	-	909	628	161
Equipment/software maintenance and repairs	69,532	-	2,650	29,906	120
Office supplies	59,526	-	6,090	10,912	190
Printing	5,609	-	-	7,495	-
Postage	18,481	-	784	11,255	87
Bank service charges	14,391	-	44	-	-
Telephone	260,409	-	9,072	10,056	2,323
Advertising	-	-	-	-	-
Insurance	38,108	-	1,254	849	264
Dues	34,613	-	-	3,272	-
Recruiting/advocacy	45,754	-	-	3,695	-
Litigation	25,359	-	983	-	-
Miscellaneous	3,511	-	-	-	-
Administrative allocation	(1,603,827)	-	-	-	-
Total other expenses	1,520,004	-	51,940	175,904	5,805
Total expenses before depreciation	12,473,268	-	450,662	629,208	94,938
Excess (deficiency) of support and revenue over expenses before depreciation	-	191,474	-	-	-
Depreciation	-	127,724	-	-	-
Change in net assets	\$ -	\$ 63,750	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2023 and Memorandum Totals for Year Ended December 31, 2022

	<u>Supplemental Disaster</u>	<u>Tech Improvement</u>	<u>Total Direct LSC Funding</u>	<u>Statewide Disaster Recovery</u>
SUPPORT AND REVENUE				
Grants and contracts	\$ 320,751	\$ 35,000	\$ 12,446,802	\$ -
Attorney fees	-	-	31,421	-
Donated funds	-	-	-	-
Donated services	-	-	1,484,195	-
Interest	-	-	215,915	-
Other income	-	-	16,968	-
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Total revenue grants and contracts	320,751	35,000	14,195,301	-
Attorney salaries and wages	126,728	-	5,315,535	-
Non-attorneys salaries and wages	75,819	-	3,870,415	-
Payroll taxes	14,760	-	691,859	-
Fringe benefits	52,958	-	2,286,879	-
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Total personnel	270,265	-	12,164,688	-
Legal consultants - donated	-	-	1,484,195	-
Contract services	-	35,000	318,114	-
Travel and training	5,395	-	191,229	-
Occupancy	19,138	-	583,577	-
Building interest	-	-	49,690	-
Purchases and materials	906	-	88,810	-
Equipment rentals	308	-	26,018	-
Equipment/software maintenance and repairs	1,459	-	103,667	-
Office supplies	4,946	-	81,664	-
Printing	3,575	-	16,679	-
Postage	298	-	30,905	-
Bank service charges	-	-	14,435	-
Telephone	13,374	-	295,234	-
Advertising	-	-	-	-
Insurance	1,037	-	41,512	-
Dues	50	-	37,935	-
Recruiting/advocacy	-	-	49,449	-
Litigation	-	-	26,342	-
Miscellaneous	-	-	3,511	-
Administrative allocation	-	-	(1,603,827)	-
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Total other expenses	50,486	35,000	1,839,139	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	320,751	35,000	14,003,827	-
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	191,474	-
Depreciation	-	-	127,724	41,425
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Change in net assets	\$ -	\$ -	\$ 63,750	\$ (41,425)

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2023 and Memorandum Totals for Year Ended December 31, 2022

	<u>BCLS</u>	<u>BCLS PAI</u>	<u>Total BCLS</u>	<u>CVCLS</u>
SUPPORT AND REVENUE				
Grants and contracts	\$ 9,428,356	\$ 477,059	\$ 9,905,415	\$ 567,966
Attorney fees	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
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Total revenue grants and contracts	9,428,356	477,059	9,905,415	567,966
PERSONNEL				
Attorney salaries and wages	4,023,014	-	4,023,014	324,071
Non-attorneys salaries and wages	1,707,815	281,963	1,989,778	14,868
Payroll taxes	423,683	20,601	444,284	24,375
Fringe benefits	1,482,782	76,294	1,559,076	92,461
	<hr/>	<hr/>	<hr/>	<hr/>
Total personnel	7,637,294	378,858	8,016,152	455,775
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	60,205	4,759	64,964	1,172
Travel and training	38,594	6,166	44,760	4,053
Occupancy	455,513	21,793	477,306	28,819
Building interest	-	-	-	-
Purchases and materials	66,707	1,286	67,993	5,895
Equipment rentals	15,943	958	16,901	1,102
Equipment/software maintenance and repairs	16,035	776	16,811	842
Office supplies	33,935	6,345	40,280	2,134
Printing	-	-	-	-
Postage	12,885	805	13,690	960
Bank service charges	-	-	-	-
Telephone	190,977	10,569	201,546	11,389
Advertising	-	-	-	-
Insurance	28,709	1,432	30,141	1,643
Dues	90	3	93	8
Recruiting/advocacy	-	-	-	-
Litigation	16,027	-	16,027	2,617
Miscellaneous	-	-	-	-
Administrative allocation	855,442	43,309	898,751	51,557
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	1,791,062	98,201	1,889,263	112,191
Total expenses before depreciation	9,428,356	477,059	9,905,415	567,966
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, 2023 and Memorandum Totals for Year Ended December 31, 2022

	Legal Aid to Veterans	Legal Aid to Veterans PAI	Legal Aid to Veterans II - Extended Services	Legal Aid to Veterans - Supplemental
SUPPORT AND REVENUE				
Grants and contracts	\$ 457,968	\$ 22,217	\$ 345,661	\$ 255,768
Attorney fees	-	-	-	-
Donated funds	-	-	-	-
Donated services	-	-	-	-
Interest	-	-	-	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	457,968	22,217	345,661	255,768
PERSONNEL				
Attorney salaries and wages	226,863	-	165,563	97,932
Non-attorneys salaries and wages	39,900	12,669	43,268	61,945
Payroll taxes	19,471	983	15,478	12,068
Fringe benefits	73,278	2,811	54,125	43,611
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Total personnel	359,512	16,463	278,434	215,556
OTHER EXPENSES				
Legal consultants - donated	-	-	-	-
Contract services	906	40	586	383
Travel and training	7,109	76	246	1,892
Occupancy	25,047	1,209	22,158	6,001
Building interest	-	-	-	-
Purchases and materials	7,725	1,577	235	418
Equipment rentals	935	39	803	374
Equipment/software maintenance and repairs	704	36	519	390
Office supplies	2,550	208	1,286	894
Printing	671	-	-	-
Postage	766	31	683	414
Bank service charges	-	-	-	-
Telephone	9,188	455	6,888	5,421
Advertising	-	-	-	-
Insurance	1,269	63	1,081	773
Dues	8	1	-	-
Recruiting/advocacy	-	-	-	-
Litigation	82	-	1,318	-
Miscellaneous	-	-	-	-
Administrative allocation	41,496	2,019	31,424	23,252
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	98,456	5,754	67,227	40,212
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	457,968	22,217	345,661	255,768
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, 2023 and Memorandum Totals for Year Ended December 31, 2022

	Opioid Use Disorder	LASSA	Emergency Rental Assistance 2
SUPPORT AND REVENUE			
Grants and contracts	\$ 515,495	\$ 1,199,501	\$ 2,786,824
Attorney fees	-	-	-
Donated funds	-	-	-
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
Total revenue grants and contracts	515,495	1,199,501	2,786,824
PERSONNEL			
Attorney salaries and wages	207,471	534,114	1,096,295
Non-attorneys salaries and wages	91,379	159,541	739,905
Payroll taxes	22,639	50,897	135,923
Fringe benefits	80,681	188,598	495,340
Total personnel	402,170	933,150	2,467,463
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	1,168	1,988	-
Travel and training	2,232	23,291	33,401
Occupancy	21,929	65,722	128,934
Building interest	-	-	-
Purchases and materials	9,484	4,449	8,370
Equipment rentals	696	3,338	6,072
Equipment/software maintenance and repairs	752	1,746	4,703
Office supplies	2,410	35,496	9,978
Printing	500	379	202
Postage	722	2,378	2,835
Bank service charges	-	-	-
Telephone	9,101	11,314	42,716
Advertising	15,000	-	-
Insurance	1,517	3,897	10,140
Dues	-	6	-
Recruiting/advocacy	-	-	-
Litigation	1,010	3,445	6,765
Miscellaneous	-	-	-
Administrative allocation	46,804	108,902	65,245
Total other expenses	113,325	266,351	319,361
Total expenses before depreciation	515,495	1,199,501	2,786,824
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, 2023 and Memorandum Totals for Year Ended December 31, 2022

	Recovery Resource Council	IRS	SafeHaven
SUPPORT AND REVENUE			
Grants and contracts	\$ 840	\$ 101,409	\$ 13,771
Attorney fees	-	-	-
Donated funds	-	-	-
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	840	101,409	13,771
PERSONNEL			
Attorney salaries and wages	431	61,771	10,035
Non-attorneys salaries and wages	206	374	-
Payroll taxes	44	4,610	761
Fringe benefits	159	17,052	2,975
	<hr/>	<hr/>	<hr/>
Total personnel	840	83,807	13,771
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	55	-
Travel and training	-	-	-
Occupancy	-	2,097	-
Building interest	-	-	-
Purchases and materials	-	3,023	-
Equipment rentals	-	149	-
Equipment/software maintenance and repairs	-	143	-
Office supplies	-	396	-
Printing	-	-	-
Postage	-	169	-
Bank service charges	-	-	-
Telephone	-	2,058	-
Advertising	-	-	-
Insurance	-	317	-
Dues	-	-	-
Recruiting/advocacy	-	-	-
Litigation	-	-	-
Miscellaneous	-	-	-
Administrative allocation	-	9,195	-
	<hr/>	<hr/>	<hr/>
Total other expenses	-	17,602	-
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	840	101,409	13,771
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-
Depreciation	<hr/>	<hr/>	<hr/>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2023 and Memorandum Totals for Year Ended December 31, 2022

	<u>City of Dallas Eviction 2</u>	<u>VOCA</u>	<u>WCTRF</u>
SUPPORT AND REVENUE			
Grants and contracts	\$ 317,490	\$ 2,159,697	\$ 6,764
Attorney fees	-	-	-
Donated funds	-	-	-
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	317,490	2,159,697	6,764
PERSONNEL			
Attorney salaries and wages	187,867	1,094,594	3,996
Non-attorneys salaries and wages	-	238,129	1,076
Payroll taxes	14,033	101,194	338
Fringe benefits	50,431	354,639	1,354
	<hr/>	<hr/>	<hr/>
Total personnel	252,331	1,788,556	6,764
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	927	-
Travel and training	8,014	11,392	-
Occupancy	8,052	94,935	-
Building interest	-	-	-
Purchases and materials	874	6,188	-
Equipment rentals	625	-	-
Equipment/software maintenance and repairs	469	3,580	-
Office supplies	713	8,386	-
Printing	-	-	-
Postage	96	3,513	-
Bank service charges	-	-	-
Telephone	3,124	45,694	-
Advertising	14,000	-	-
Insurance	1,029	6,737	-
Dues	-	-	-
Recruiting/advocacy	-	-	-
Litigation	-	-	-
Miscellaneous	-	-	-
Administrative allocation	28,163	189,789	-
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Total other expenses	65,159	371,141	-
Total expenses before depreciation	317,490	2,159,697	6,764
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-
Depreciation	<hr/>	<hr/>	<hr/>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2023 and Memorandum Totals for Year Ended December 31, 2022

	TXHAF Foreclosure Prevention	IOLTA	OVAG
SUPPORT AND REVENUE			
Grants and contracts	\$ 556,330	\$ -	\$ 168,093
Attorney fees	-	-	-
Donated funds	-	-	-
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
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Total revenue grants and contracts	556,330	-	168,093
PERSONNEL			
Attorney salaries and wages	206,999	-	113,474
Non-attorneys salaries and wages	127,318	-	-
Payroll taxes	24,706	-	8,675
Fringe benefits	86,471	-	29,508
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Total personnel	445,494	-	151,657
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	-	274
Travel and training	11,457	-	456
Occupancy	29,510	-	9,950
Building interest	-	-	-
Purchases and materials	1,173	-	-
Equipment rentals	966	-	322
Equipment/software maintenance and repairs	874	-	324
Office supplies	2,305	-	736
Printing	1,358	-	-
Postage	1,079	-	349
Bank service charges	-	-	-
Telephone	9,643	-	3,356
Advertising	-	-	-
Insurance	1,871	-	666
Dues	-	-	-
Recruiting/advocacy	-	-	-
Litigation	25	-	-
Miscellaneous	-	-	-
Administrative allocation	50,575	-	3
	<hr/>	<hr/>	<hr/>
Total other expenses	110,836	-	16,436
Total expenses before depreciation	556,330	-	168,093
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-
Depreciation	-	8,305	-
	<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, 2023 and Memorandum Totals for Year Ended December 31, 2022

	Tankersley Fellowship	Equal Justice Works Fellowship - Marcos	Equal Justice Works Fellowship - Uke
SUPPORT AND REVENUE			
Grants and contracts	\$ 81,510	\$ 17,389	\$ 57,000
Attorney fees	-	-	-
Donated funds	-	-	-
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	81,510	17,389	57,000
Total revenue grants and contracts	81,510	17,389	57,000
PERSONNEL			
Attorney salaries and wages	81,510	17,389	57,000
Non-attorneys salaries and wages	-	-	-
Payroll taxes	-	-	-
Fringe benefits	-	-	-
	81,510	17,389	57,000
Total personnel	81,510	17,389	57,000
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	-	-
Travel and training	-	-	-
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	-	-	-
	-	-	-
Total other expenses	-	-	-
Total expenses before depreciation	81,510	17,389	57,000
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, 2023 and Memorandum Totals for Year Ended December 31, 2022

	<u>Wells Fargo</u>	<u>Restricted Misc</u>	<u>Progressive Dinner</u>
SUPPORT AND REVENUE			
Grants and contracts	\$ 50,807	\$ 43,179	\$ -
Attorney fees	-	-	-
Donated funds	-	24,243	25,822
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue grants and contracts	50,807	67,422	25,822
PERSONNEL			
Attorney salaries and wages	32,027	29,683	-
Non-attorneys salaries and wages	-	3,976	-
Payroll taxes	2,986	2,442	-
Fringe benefits	8,646	8,744	-
	<hr/>	<hr/>	<hr/>
Total personnel	43,659	44,845	-
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	-	14,501	-
Travel and training	-	-	-
Occupancy	743	1,804	-
Building interest	-	3,928	-
Purchases and materials	24	351	-
Equipment rentals	89	-	-
Equipment/software maintenance and repairs	114	-	150
Office supplies	82	375	14,593
Printing	-	-	135
Postage	125	-	-
Bank service charges	-	-	668
Telephone	1,139	-	-
Advertising	-	-	-
Insurance	208	-	-
Dues	-	-	-
Recruiting/advocacy	-	464	-
Litigation	-	-	-
Miscellaneous	-	-	-
Administrative allocation	4,624	-	-
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Total other expenses	7,148	21,423	15,546
Total expenses before depreciation	50,807	66,268	15,546
Excess (deficiency) of support and revenue over expenses before depreciation	-	1,154	10,276
Depreciation	-	173	-
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Change in net assets	\$ -	\$ 981	\$ 10,276

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2023 and Memorandum Totals for Year Ended December 31, 2022

	Restricted for CLC	Total Misc Restricted	Total Restricted Non-LSC
SUPPORT AND REVENUE			
Grants and contracts	\$ -	\$ 43,179	\$ 19,631,094
Attorney fees	-	-	-
Donated funds	-	50,065	50,065
Donated services	-	-	-
Interest	-	-	-
Other income	-	-	-
	-	-	-
	-	93,244	19,681,159
PERSONNEL			
Attorney salaries and wages	62,848	92,531	8,634,947
Non-attorneys salaries and wages	773	4,749	3,525,105
Payroll taxes	4,901	7,343	890,808
Fringe benefits	18,687	27,431	3,168,647
	87,209	132,054	16,219,507
OTHER EXPENSES			
Legal consultants - donated	-	-	-
Contract services	3,904	18,405	90,868
Travel and training	-	-	148,379
Occupancy	-	1,804	924,216
Building interest	-	3,928	3,928
Purchases and materials	-	351	117,779
Equipment rentals	-	-	32,411
Equipment repairs	-	150	32,157
Office supplies	-	14,968	122,822
Printing	-	135	3,245
Postage	-	-	27,810
Bank service charges	-	668	668
Telephone	-	-	363,032
Advertising	-	-	29,000
Insurance	-	-	61,352
Dues	-	-	116
Recruiting	-	464	464
Litigation	-	-	31,289
Miscellaneous	-	-	-
Administrative allocation	-	-	1,551,799
	3,904	40,873	3,541,335
Total other expenses	3,904	40,873	3,541,335
Total expenses before depreciation	91,113	172,927	19,760,842
Excess (deficiency) of support and revenue over expenses before depreciation	(91,113)	(79,683)	(79,683)
Depreciation	-	173	49,903
Change in net assets	\$ (91,113)	\$ (79,856)	\$ (129,586)

Legal Aid of NorthWest Texas
 Statements of Support, Revenues and Expenses – by Fund
 Year Ended December 31, 2023 and
 Memorandum Totals for Year Ended December 31, 2022

	<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	\$ -	\$ -	\$ -	\$ -	\$ -
Attorney fees	-	-	-	-	-
Donated funds	585,709	101,330	13,726	80,077	780,842
Donated services	-	-	-	-	-
Interest	-	-	-	157,705	157,705
Other income	-	-	-	67,868	67,868
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Total revenue grants and contracts	585,709	101,330	13,726	305,650	1,006,415
PERSONNEL					
Attorney salaries and wages	206,683	-	-	2,823	209,506
Non-attorneys salaries and wages	155,311	-	-	915	156,226
Payroll taxes	27,009	-	-	290	27,299
Fringe benefits	97,462	-	-	961	98,423
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Total personnel	486,465	-	-	4,989	491,454
OTHER EXPENSES					
Legal consultants - donated	-	-	-	-	-
Contract services	770	250	960	38,000	39,980
Travel and training	5,578	-	115	-	5,693
Occupancy	17,140	-	-	-	17,140
Building interest	-	-	-	-	-
Purchases and materials	3,536	-	-	-	3,536
Equipment rentals	2,259	-	-	-	2,259
Equipment/software maintenance and repairs	673	-	-	-	673
Office supplies	1,553	19,609	3,157	254	24,573
Printing	-	786	-	-	786
Postage	1,491	47	53	-	1,591
Bank service charges	-	2,550	323	493	3,366
Telephone	12,685	-	-	-	12,685
Advertising	-	-	-	-	-
Insurance	1,411	-	-	-	1,411
Dues	120	-	-	29,627	29,747
Recruiting/advocacy	-	-	-	6,081	6,081
Litigation	-	-	-	-	-
Miscellaneous	-	-	-	23,374	23,374
Administrative allocation	52,028	-	-	-	52,028
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Total other expenses	99,244	23,242	4,608	97,829	224,923
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Total expenses before depreciation	585,709	23,242	4,608	102,818	716,377
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Excess (deficiency) of support and revenue over expenses before depreciation	-	78,088	9,118	202,832	290,038
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Depreciation	-	-	-	15,992	15,992
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Change in net assets	\$ -	\$ 78,088	\$ 9,118	\$ 186,840	\$ 274,046

Legal Aid of NorthWest Texas

Statements of Support, Revenues and Expenses – by Fund Year Ended December 31, 2023 and Memorandum Totals for Year Ended December 31, 2022

	2023	2022
	Totals	Totals
SUPPORT AND REVENUE		
Grants and contracts	\$ 32,077,896	\$ 30,309,900
Attorney fees	31,421	5,151
Donated funds	830,907	1,058,501
Donated services	1,484,195	1,265,047
Interest	373,620	112,988
Other income	84,836	651
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Total revenue grants and contracts	34,882,875	32,752,238
PERSONNEL		
Attorney salaries and wages	14,159,988	13,462,385
Non-attorneys salaries and wages	7,551,746	7,102,277
Payroll taxes	1,609,966	1,525,001
Fringe benefits	5,553,949	4,830,694
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Total personnel	28,875,649	26,920,357
OTHER EXPENSES		
Legal consultants - donated	1,484,195	1,265,047
Contract services	448,962	587,143
Travel and training	345,301	245,949
Occupancy	1,524,933	1,503,055
Building interest	53,618	60,714
Purchases and materials	210,125	326,830
Equipment rentals	60,688	64,536
Equipment/software maintenance and repairs	136,497	137,649
Office supplies	229,059	239,442
Printing	20,710	46,610
Postage	60,306	59,150
Bank service charges	18,469	16,408
Telephone	670,951	634,298
Advertising	29,000	97,756
Insurance	104,275	99,160
Dues	67,798	74,594
Recruiting/advocacy	55,994	43,344
Litigation	57,631	101,273
Miscellaneous	26,885	11,973
Administrative allocation	-	-
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Total other expenses	5,605,397	5,614,931
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Total expenses before depreciation	34,481,046	32,535,288
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Excess (deficiency) of support and revenue over expenses before depreciation	401,829	216,950
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Depreciation	193,619	195,586
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Change in net assets	\$ 208,210	\$ 21,364

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Legal Aid of NorthWest Texas
 Statements of Changes in Net Assets
 Years Ended December 31, 2023 and 2022

	2023								
	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	\$ 191,474	\$ -	\$ (79,683)	\$ (177,627)	\$ (65,836)	\$ 290,038	\$ (15,992)	\$ 274,046	\$ 208,210
Other releases of restrictions									
Acquisition of property	(45,000)	-	-	45,000	-	-	-	-	-
Retirement of long-term debt	(146,474)	-	-	146,474	-	(11,580)	11,580	-	-
Total releases of restrictions	(191,474)	-	-	191,474	-	(11,580)	11,580	-	-
Increase (decrease) in net assets	-	-	(79,683)	13,847	(65,836)	278,458	(4,412)	274,046	208,210
Net assets, beginning of year	-	-	541,073	2,563,177	3,104,250	459,533	156,499	616,032	3,720,282
Net assets, end of year	\$ -	\$ -	\$ 461,390	\$ 2,577,024	\$ 3,038,414	\$ 737,991	\$ 152,087	\$ 890,078	\$ 3,928,492

Legal Aid of NorthWest Texas
 Statements of Changes in Net Assets – Continued
 Years Ended December 31, 2023 and 2022

	2022								
	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	\$ 141,061	\$ -	\$ (110,387)	\$ (179,593)	\$ (148,919)	\$ 170,283	\$ -	\$ 170,283	\$ 21,364
Other releases of restrictions									
Receipt of contributions	-	(120,000)	120,000	-	-	-	-	-	-
Retirement of long-term debt	(141,061)	-	-	141,061	-	4,840	(4,840)	-	-
Total releases of restrictions	(141,061)	(120,000)	120,000	141,061	-	4,840	(4,840)	-	-
Increase (decrease) in net assets	-	(120,000)	9,613	(38,532)	(148,919)	175,123	(4,840)	170,283	21,364
Net assets, beginning of year	-	120,000	531,460	2,601,709	3,253,169	284,410	161,339	445,749	3,698,918
Net assets, end of year	\$ -	\$ -	\$ 541,073	\$ 2,563,177	\$ 3,104,250	\$ 459,533	\$ 156,499	\$ 616,032	\$ 3,720,282

Legal Aid of NorthWest Texas

Private Attorney Involvement

Schedule of Expenses

Year Ended December 31, 2023

PERSONNEL EXPENSES

Salaries and wages	
Attorneys	\$ 311,893
Non-attorneys	671,739
Payroll taxes	72,852
Fringe benefits	259,661

Total personnel expenses 1,316,145

OTHER EXPENSES

Contract services	9,355
Travel and training	20,030
Occupancy	65,328
Purchases and materials	9,533
Equipment rentals	4,224
Equipment/software maintenance and repairs	4,240
Depreciation	5
Office supplies	14,302
Postage and freight	3,147
Bank services charges	44
Telephone	33,724
Insurance	4,268
Dues & Subscriptions	124
Litigation	983
Miscellaneous	-
Administrative Allocation	97,356

Total other expenses 266,663

TOTAL EXPENSES

\$ 1,582,808

Note: Private Attorney Involvement expenses include LSC-PAI, BCLS-PAI, Veterans PAI and DBA Jt Campaign, and represent approximately 12% of the Legal Services Corporation basic field grant of \$12,928,681.

Legal Aid of NorthWest Texas
 Basic Civil Legal Services (BCLS and BCLS PAI)
 Schedule of Revenues and Expenses
 Year Ended December 31, 2023

	Actual	Budget	Over (Under) Budget
GRANT	\$ 9,905,415	\$ 10,310,600	\$ (405,185)
EXPENSES			
Personnel			
Attorney salaries and wages	4,023,014	4,225,000	(201,986)
Non-attorney salaries and wages	1,989,778	2,113,000	(123,222)
	6,012,792	6,338,000	(325,208)
Payroll taxes and fringe benefits	2,003,360	2,025,000	(21,640)
Total personnel expenses	8,016,152	8,363,000	(346,848)
Total non-personnel	1,889,263	1,947,600	(58,337)
Total expenses	9,905,415	10,310,600	(405,185)
CHANGES IN GRANT REVENUE AND EXPENSES	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Crime Victims Civil Legal Services (CVCLS)
 Schedule of Revenues and Expenses
 Year Ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 567,966	\$ 559,000	\$ 8,966
EXPENSES			
Personnel			
Attorney salaries and wages	324,071	320,010	4,061
Non-attorney salaries and wages	14,868	24,015	(9,147)
	<u>338,939</u>	<u>344,025</u>	<u>(5,086)</u>
Payroll taxes and fringe benefits	<u>116,836</u>	<u>114,400</u>	<u>2,436</u>
Total personnel expenses	455,775	458,425	(2,650)
Total non-personnel	<u>112,191</u>	<u>100,575</u>	<u>11,616</u>
Total expenses	<u>567,966</u>	<u>559,000</u>	<u>8,966</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas

Legal Aid to Veterans and Legal Aid to Veterans PAI Schedule of Revenues and Expenses Year Ended December 31, 2023

	Actual	Budget	Over (Under) Budget
GRANT	\$ 480,185	\$ 468,000	\$ 12,185
EXPENSES			
Personnel			
Attorney salaries and wages	226,863	224,180	2,683
Non-attorney salaries and wages	52,569	61,755	(9,186)
	279,432	285,935	(6,503)
Payroll taxes and fringe benefits	96,543	91,820	4,723
Total personnel expenses	375,975	377,755	(1,780)
Total non-personnel	104,210	90,245	13,965
Total expenses	480,185	468,000	12,185
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, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 345,661	\$ 345,660	\$ 1
EXPENSES			
Personnel			
Attorney salaries and wages	165,563	167,830	(2,267)
Non-attorney salaries and wages	43,268	44,950	(1,682)
	<u>208,831</u>	<u>212,780</u>	<u>(3,949)</u>
Payroll taxes and fringe benefits	<u>69,603</u>	<u>68,640</u>	<u>963</u>
Total personnel expenses	278,434	281,420	(2,986)
Total non-personnel	<u>67,227</u>	<u>64,240</u>	<u>2,987</u>
Total expenses	<u>345,661</u>	<u>345,660</u>	<u>1</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
 Legal Aid to Veterans - Supplemental
 Schedule of Revenues and Expenses
 Year Ended December 31, 2023

	Actual	Budget	Over (Under) Budget
GRANT	\$ 255,768	\$ 255,770	\$ (2)
EXPENSES			
Personnel			
Attorney salaries and wages	97,932	85,060	12,872
Non-attorney salaries and wages	61,945	77,700	(15,755)
	159,877	162,760	(2,883)
Payroll taxes and fringe benefits	55,679	54,885	794
Total personnel expenses	215,556	217,645	(2,089)
Total non-personnel	40,212	38,125	2,087
Total expenses	255,768	255,770	(2)
CHANGES IN GRANT REVENUE AND EXPENSES	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
 Legal Aid to Survivors of Sexual Assault (LASSA)
 Schedule of Revenues and Expenses
 Year Ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 1,199,501	\$ 1,199,000	\$ 501
EXPENSES			
Personnel			
Attorney salaries and wages	534,114	537,700	(3,586)
Non-attorney salaries and wages	159,541	161,755	(2,214)
	<u>693,655</u>	<u>699,455</u>	<u>(5,800)</u>
Payroll taxes and fringe benefits	<u>239,495</u>	<u>244,395</u>	<u>(4,900)</u>
Total personnel expenses	933,150	943,850	(10,700)
Total non-personnel	<u>266,351</u>	<u>255,150</u>	<u>11,201</u>
Total expenses	<u>1,199,501</u>	<u>1,199,000</u>	<u>501</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas

Legal Aid – Opioid Use Disorder Schedule of Revenues and Expenses Year Ended December 31, 2023

	Actual	Budget	Over (Under) Budget
GRANT	\$ 515,495	\$ 550,000	\$ (34,505)
EXPENSES			
Personnel			
Attorney salaries and wages	207,471	225,000	(17,529)
Non-attorney salaries and wages	91,379	88,500	2,879
	298,850	313,500	(14,650)
Payroll taxes and fringe benefits	103,320	103,500	(180)
Total personnel expenses	402,170	417,000	(14,830)
Total non-personnel	113,325	133,000	(19,675)
Total expenses	515,495	550,000	(34,505)
CHANGES IN GRANT REVENUE AND EXPENSES	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas

Emergency Rental Assistance 2 Schedule of Revenues and Expenses Year Ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GRANT	\$ 2,786,824	\$ 3,000,000	\$ (213,176)
EXPENSES			
Personnel			
Attorney salaries and wages	1,096,295	1,227,400	(131,105)
Non-attorney salaries and wages	<u>739,905</u>	<u>774,250</u>	<u>(34,345)</u>
	1,836,200	2,001,650	(165,450)
Payroll taxes and fringe benefits	<u>631,263</u>	<u>654,850</u>	<u>(23,587)</u>
Total personnel expenses	2,467,463	2,656,500	(189,037)
Total non-personnel	<u>319,361</u>	<u>343,500</u>	<u>(24,139)</u>
Total expenses	<u>2,786,824</u>	<u>3,000,000</u>	<u>(213,176)</u>
CHANGES IN GRANT REVENUE AND EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Federal and State Awards

Legal Aid of NorthWest Texas

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

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	\$ 11,996,112
Pro Bono Innovation Fund	09.744050	GT-PB21S-00002	94,938
Tech Improvement Grant	09.744050	GT-TG22T-00452	35,000
LSC Supplemental Disaster	09.744050	GT-21DSA-00012	<u>320,751</u>
TOTAL LEGAL SERVICES CORPORATION			12,446,801
U.S. DEPARTMENT OF TREASURY			
Internal Revenue Service			
Low Income Taxpayers Clinic	21.008	23-LITC0586-02-01	101,409
Passed through Texas Access to Justice Foundation			
COVID-19: Emergency Rental Assistance Program	21.023	10089559	2,786,824
Passed through the City of Dallas			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	OEI-2022-00018285	<u>317,490</u>
TOTAL U.S. DEPARTMENT OF TREASURY			3,205,723
U.S. DEPARTMENT OF JUSTICE			
Passed through Texas Governor's Criminal Justice Division			
Crime Victims Assistance - Rural Safe at Home Project	16.575	1696416 & 1696417	2,159,697
Passed through SafeHaven of Tarrant County			
Legal Assistance for Victims	16.524	2017-WL-AX-0009	<u>13,771</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			2,173,468
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Passed through Recovery Resource Council			
Supportive Services for Veteran Families	64.033	N/A	840
Passed through West Central Texas Regional Foundation			
Supportive Services for Veteran Families	64.033	N/A	<u>6,764</u>
Total Federal Assistance Listing Number 64.033			<u>7,604</u>
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			7,604
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Texas Department of Housing and Community Affairs			
Texas Homeowner Assistance Fund for Legal Services	93.568	22220003005	<u>556,330</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>556,330</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 18,389,926</u>

Legal Aid of NorthWest Texas
 Schedule of Expenditures of State Awards
 Year Ended December 31, 2023

STATE GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM TITLE	Contract Number	State Expenditures
SUPREME COURT OF TEXAS		
Texas Access to Justice Foundation		
Crime Victims Civil Legal Services	26239 & 10089543	\$ 567,966
Basic Civil Legal Services	26238 & 10083423	9,905,415
Legal Aid for Survivors of Sexual Assault	26241 & 10083422	1,199,501
Legal Aid to Veterans	26240 & 10083436	480,185
Legal Aid to Veterans II - Extended Services	10083837	345,661
Legal Aid to Veterans - Supplemental	10088896	255,768
Opioid Use Disorder	25073	515,495
		<hr/>
TOTAL SUPREME COURT OF TEXAS		13,269,991
OFFICE OF THE ATTORNEY GENERAL		
Other Victims Assistance Grant	2216612 & C-00383	168,093
		<hr/>
TOTAL OFFICE OF THE ATTORNEY GENERAL		168,093
		<hr/>
TOTAL EXPENDITURES OF STATE AWARDS		\$ 13,438,084

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, 2023. 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 Grant Management Standards (TxGMS). 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.



**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, 2023, 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 26, 2024.

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) as a basis for designing 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*.

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 26, 2024



**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 Texas Grant Management Standards**

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 the Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of LANWT's major federal and state programs for the year ended December 31, 2023. 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, 2023.

Basis for Opinion on Each Major Federal and State 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 TxGMS. Our responsibilities under those standards, the Uniform Guidance and TxGMS 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 TxGMS 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 TxGMS, 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 TxGMS, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on LANWT's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. LANWT's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

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 TxGMS. 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 26, 2024

Legal Aid of NorthWest Texas

Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

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, Pro Bono Innovation Fund, Tech Improvement Grant and LSC Supplemental Disaster

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, 2023

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 TxGMS?

Yes No

Identification of major programs:

Basic Civil Legal Services

Legal Aid to Survivors of Sexual Assault

Dollar threshold used to distinguish between type A and type B programs?

\$750,000

Legal Aid of NorthWest Texas
Schedule of Findings and Questioned Costs - Continued
Year Ended December 31, 2023

Section II – Financial Statement Findings

None noted.

Section III – Federal and State Award Findings and Questioned Costs

Finding 2023-001

Major Federal Program: 09.744050 – Legal Services Corporation – Basic Field Grant

Compliance Requirements: Allowable Costs and Cost Principles

Criteria: The Compliance Supplement for Audits of LSC Recipients and LSC Regulations 45 CFR§ 1631.3 requires that any capital improvements using more than \$25,000 of LSC Funds have documented requests for LSC approval and that approval has been granted within 30 days. Audit procedures revealed that capital improvements of \$45,000 related to roof repairs were not approved by LSC.

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

Context: Capital improvements of \$45,000 related to roof repairs were not approved by LSC within 30 days of occurring under exigent circumstances.

Effect and Questioned Costs: Repair costs of \$45,000, although not approved in accordance with LSC guidelines, were expended on allowable costs. Likely Questioned costs were indeterminable.

Recommendation: We recommend review procedures be put in place to ensure the all capital improvements are approved appropriately prior to purchase or within 30 days of occurring under exigent circumstances.

Response: See Corrective Action Plan.

Legal Aid of NorthWest Texas

Status of Prior Year Findings
Year Ended December 31, 2023

Section IV – Summary Schedule of Prior Audit Findings

Finding 2022-001

Major Federal Program: 09.744050 – Legal Services Corporation – Basic Field Grant

Prior Year Finding:

The Compliance Supplement for Audits of LSC Recipients and LSC Regulations 45 CFR§ 1620.6 require that all staff who handle cases or matters, or make decisions about which cases to accept, are required to sign an agreement indicating that the staff has read and understands the priorities established by the governing body of the entity; has read and understands the definition of an emergency situation and the procedures for dealing with an emergency that falls outside of the entity's established priorities; and will not undertake any case or matter for the recipient that is not a priority or an emergency. Audit procedures revealed that these signed agreements were not adequately reviewed and retained for all employees for the year ended December 31, 2022.

Status:

This finding has been corrected in the current year.

600 East Weatherford St.

Fort Worth, Texas 76102



Legal Aid of NorthWest Texas

Corrective Action Plan

Year Ended December 31, 2023

Finding 2023-001

Major Federal Program; 09.744050 – Legal Services Corporation – Basic Field Grant

Compliance Requirements: Allowable Cost and Cost Principles

Response: The Chief Executive Officer (CEO) and LANWT accounting department will review and train on 45 CFR 1631 regarding the subject of Purchasing and Property Management. LANWT will review its policies and protocols to require prior purchase approval and exigent circumstances approval. Deadlines shall be calendared by the CEO and the accounting department whenever there is an exigent circumstance and approval will need to be requested within the 30-day notice period. The CEO will remain in periodic contact with LSC if any extenuating circumstances exist. The accounting manual will be updated with this protocol.

Date of Completion: June 1, 2024

Person Responsible to Ensure Completion: Maria Thomas-Jones, CEO