

# **LEGAL AID JUSTICE CENTER**

**Financial Statement  
and  
Accompanying Information  
for the year ended  
June 30, 2019**

**(With comparative financial information  
as of June 30, 2018)**

# LEGAL AID JUSTICE CENTER

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**Frank Barcalow CPA, P.L.L.C.**  
**Certified Public Accountant**

**Independent Auditor's Report**

The Board of Directors  
Legal Aid Justice Center  
Charlottesville, Virginia

**Report on the Financial Statements**

We have audited the accompanying financial statements of Legal Aid Justice Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Aid Justice Center as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Legal Aid Justice's 2018 financial statements, and our report dated July 19, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support, revenue and expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Frank Barcalow CPA, P.L.L.C.*

Frank Barcalow CPA, P.L.L.C.  
Richmond, Virginia  
July 18, 2019

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**Members American Institute of Certified Public Accountants**

# Legal Aid Justice Center

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## Statement of Financial Position

June 30, 2019

(with comparative totals for the year ended June 30, 2018)

Assets	<u>2019</u>	<u>2018</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,086,872	\$ 1,515,033
Investments	1,683,049	1,559,174
Cash in escrow, client deposits	16,399	23,083
Other receivables	76,530	211,250
Prepaid expenses	91,499	81,219
<b>Total current assets</b>	<u>3,954,349</u>	<u>3,389,759</u>
Property and equipment		
Furniture, improvements and property, net	<u>1,362,956</u>	<u>1,486,444</u>
Other assets		
Deposits	<u>19,936</u>	<u>18,436</u>
<b>Total assets</b>	<u>\$ 5,337,241</u>	<u>\$ 4,894,639</u>
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 131,006	\$ 444,235
Accrued annual leave	124,072	118,263
Note payable - short term	35,919	34,662
Client deposits	16,399	23,083
Unearned revenue	2,657,223	1,894,178
Deposits payable	10,025	8,838
<b>Total current liabilities</b>	<u>2,974,644</u>	<u>2,523,259</u>
Note Payable	<u>275,878</u>	<u>311,980</u>
<b>Total liabilities</b>	<u>3,250,522</u>	<u>2,835,239</u>
<b>Commitments</b>		
<b>Net assets</b>		
<b>Without donor restrictions</b>		
General	1,035,560	919,598
Property and equipment	<u>1,051,159</u>	<u>1,139,802</u>
<b>Total net assets</b>	<u>2,086,719</u>	<u>2,059,400</u>
<b>Total liabilities and net assets</b>	<u>\$ 5,337,241</u>	<u>\$ 4,894,639</u>

See notes to financial statements.

# Legal Aid Justice Center

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## Statement of Activities

For the Year Ended June 30, 2019

(with summarized totals for the year ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
<b>Support and revenue</b>				
Grants and contracts	\$ 3,047,468	\$ 432,613	\$ 3,480,081	\$ 3,651,324
Local funding	541,735	-	541,735	665,579
Investment income	123,876	-	123,876	30,735
Donated services	3,839,229	-	3,839,229	4,244,860
Contributions	1,100,065	-	1,100,065	1,043,278
Attorney fees	155,242	-	155,242	94,401
Other income	91,353	-	91,353	70,635
	<u>8,898,968</u>	<u>432,613</u>	<u>9,331,581</u>	<u>9,800,812</u>
Net assets released from restrictions Expiration of time or purpose restrictions	<u>432,613</u>	<u>(432,613)</u>	<u>-</u>	<u>-</u>
<b>Total support and revenue</b>	<u>9,331,581</u>	<u>-</u>	<u>9,331,581</u>	<u>9,800,812</u>
<b>Expenses</b>				
<b>Program services</b>				
Legal assistance	8,250,464	-	8,250,464	9,317,020
<b>Supporting services</b>				
Management and general	504,900	-	504,900	352,587
Fund-raising expenses	548,898	-	548,898	411,078
	<u>9,304,262</u>	<u>-</u>	<u>9,304,262</u>	<u>10,080,685</u>
<b>Total expenses</b>	<u>9,304,262</u>	<u>-</u>	<u>9,304,262</u>	<u>10,080,685</u>
<b>Change in net assets</b>	27,319	-	27,319	(279,873)
<b>Net assets at beginning of year</b>	<u>2,059,400</u>	<u>-</u>	<u>2,059,400</u>	<u>2,339,273</u>
<b>Net assets at end of year</b>	<u>\$ 2,086,719</u>	<u>\$ -</u>	<u>\$ 2,086,719</u>	<u>\$ 2,059,400</u>

See notes to financial statements.

# Legal Aid Justice Center

## Statement of Functional Expenses

June 30, 2019

(with summarized totals for the year ended June 30, 2018)

	Program Services	Supporting Services	Fundraising Expense	2019 Total Expenses	2018 Total Expenses
Attorney salaries	\$ 1,896,921	\$ 84,090	\$ 48,543	\$ 2,029,554	\$ 2,135,671
Fringe benefits	809,650	91,435	88,138	989,223	1,072,688
Other professional salaries	622,640	222,530	278,155	1,123,325	1,126,400
Audit	7,412	788	-	8,200	8,200
Board expenses	3,019	321	-	3,340	3,681
Communication	68,699	8,214	8,560	85,473	88,146
Consultant fees	59,566	6,333	-	65,899	120,780
Consumables	25,894	3,096	3,226	32,216	29,306
Donated services and equipment	3,839,229	-	-	3,839,229	4,244,860
Equipment rental and repair	132,260	14,062	-	146,322	167,956
Fundraising	-	-	78,581	78,581	224,106
Insurance	23,610	2,823	2,942	29,375	27,845
Interest expense	10,765	1,144	-	11,909	13,140
Library expense	27,726	-	-	27,726	24,542
Litigation	25,981	-	-	25,981	41,140
Occupancy	327,058	39,104	40,753	406,915	356,945
Office dues	15,902	-	-	15,902	17,419
Other expenses	35,674	3,793	-	39,467	46,638
Postage	8,454	899	-	9,353	9,279
Recruiting	6,178	-	-	6,178	975
Reproduction	4,415	469	-	4,884	3,557
Subgrants	56,735	-	-	56,735	31,736
Technologies upgrades	24,798	2,636	-	27,434	14,286
Training	32,874	3,494	-	36,368	29,821
Travel	63,564	6,758	-	70,322	105,713
Depreciation	121,440	12,911	-	134,351	135,855
	<u>\$ 8,250,464</u>	<u>\$ 504,900</u>	<u>\$ 548,898</u>	<u>\$ 9,304,262</u>	<u>\$ 10,080,685</u>

See notes to financial statements.

# Legal Aid Justice Center

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## Statement of Cash Flows

For the Year Ended June 30, 2019

(with comparative totals for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 27,319	\$ (279,873)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used by) operating activities		
Loss on disposal of assets	-	-
Depreciation	134,351	135,855
(Increase) decrease in receivables	134,720	177,513
(Increase) decrease in prepaid expenses	(10,280)	629
(Increase) decrease in deposits	(1,500)	750
Increase (decrease) in accounts payable	(313,229)	311,104
Increase (decrease) in unearned revenue	763,046	456,260
Increase (decrease) in deposits payable	1,186	2,421
Increase (decrease) in accrued annual leave	5,809	2,149
	<u>741,422</u>	<u>806,808</u>
<b>Net cash provided by (used by) operations</b>		
	<u>741,422</u>	<u>806,808</u>
<b>Cash flows used in investing activities</b>		
Additions to property and equipment	(10,864)	(6,570)
Additons to investments	(123,875)	(30,708)
	<u>(134,739)</u>	<u>(37,278)</u>
<b>Net cash provided by (used by) investing activities</b>		
	<u>(134,739)</u>	<u>(37,278)</u>
<b>Cash flows used in financing activities</b>		
Principle payments on note payable	(34,844)	(33,615)
Loan from line of credit	-	-
	<u>(34,844)</u>	<u>(33,615)</u>
<b>Net cash provided by (used by) financing activities</b>		
	<u>(34,844)</u>	<u>(33,615)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	571,839	735,915
<b>Cash and cash equivalents, beginning of year</b>	<u>1,515,033</u>	<u>779,118</u>
<b>Cash and cash equivalents, end of year</b>	\$ <u><u>2,086,872</u></u>	\$ <u><u>1,515,033</u></u>
<b>Supplemental disclosure of cash flows information</b>		
Cash paid during the year for interest	\$ <u><u>11,909</u></u>	\$ <u><u>13,140</u></u>

See notes to financial statements.



# Legal Aid Justice Center

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## Notes to Financial Statements June 30, 2019

### Note 1 - Nature of activities and summary of significant accounting policies

#### *Nature of activities*

Legal Aid Justice Center (LAJC) is a non-profit corporation organized for the purpose of reducing poverty in Virginia through individual legal services to low-income Virginians, policy advocacy, impact litigation, and community organizing.

#### *Promises to give*

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Corporation uses the allowance method to determine uncollectible unconditional contributions receivable. Historically, there have not been significant differences between the amounts allocated and collected. Accordingly, no provision has been made for uncollectible amounts.

#### *Basis of presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States. Under generally accepted accounting principles, Legal Aid Justice Center is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions - net assets available for use in general operations and net assets with donor restrictions - donor imposed restrictions are temporary in nature such as those that will be met by the passage of time or other events specified by the donor.

#### *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles of the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *Cash equivalents*

For purposes of the Statement of Cash Flows, Legal Aid Justice Center considers highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the Statement of Cash Flows exclude restricted cash and cash equivalents.

#### *Investments*

Investments are composed of Bond ETF funds and mutual funds. Investments in marketable ETF funds and mutual funds are reported at readily determinable fair market values.

#### *Income taxes*

Legal Aid Justice Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Legal Aid Justice Center is also exempt from Virginia income taxes and, therefore, has made no provision for federal or Virginia income taxes. In addition, the Internal Revenue Service has determined that Legal Aid Justice Center is not a "private foundation" within the meaning of Section 509(a) of the Code. LAJC's income tax returns are potentially subject to examination by the Internal Revenue Service generally for three years after being filed. The Corporation has no uncertain tax positions for the current year or prior year.

# Legal Aid Justice Center

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## Notes to Financial Statements June 30, 2019

### Note 1 - Summary of significant accounting policies (continued)

#### *Donated services*

Legal Aid Justice Center recognizes donated services as support. Donated services represent a variety of services the organization would otherwise have to pay for including pro-bono delivery of legal services, administrative support, and other professional services. A matching expense is also recorded. The value of the donated services is recorded at market value as determined by the Board of Directors each year. Other in-kind contributions are recorded when received at fair value as income and expense.

#### *Property and equipment*

Building, land and equipment are stated at cost, if purchased, and at fair value at date of receipt, if donated. Expenditures for acquisition, renewals and betterments greater than \$5,000 are capitalized, whereas maintenance and repair costs are charged to expense as incurred. When properties are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is recorded in the Statement of Activities.

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the related assets. Useful lives range from 3 to 10 years for furniture, fixtures and equipment, 5 years for leasehold improvements, and 5 years for the law libraries. The building will be depreciated over a period of 30 years.

#### *Allocation of expenses*

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between the program and supporting services benefitted.

#### *Grant contract support*

Legal Aid Justice Center recognizes grant funds as awarded.

#### *Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### *Functional expenses*

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on funding basis. Any expenses that can be identified to a funding source are directly charged to appropriate grant.

# Legal Aid Justice Center

## Notes to Financial Statements June 30, 2019

### Note 2 - Investments

The aggregate fair value, gross unrealized holding gains, gross unrealized holding losses, and amortized cost for available-for-sale investments at June 30, 2019 and 2018 are as follows:

2019	Amortized Cost	Gross	Gross	Unrealized Fair Value
		Unrealized Gains	Unrealized Losses	
Mutual funds	\$ 599 216	\$ 8 469	\$ -	\$ 607 685
ETF Bond Funds	<u>1 034 555</u>	<u>40 809</u>	<u>-</u>	<u>1 075 364</u>
	<u>\$ 1 633 771</u>	<u>\$ 49 278</u>	<u>\$ -</u>	<u>\$1 683 049</u>

  

2018	Amortized Cost	Gross	Gross	Unrealized Fair Value
		Unrealized Gains	Unrealized Losses	
Mutual funds	\$ 542 107	\$ 8 600	\$ -	\$ 550 707
ETF Bond Funds	<u>1 029 116</u>	<u>-</u>	<u>20 649</u>	<u>1 008 467</u>
	<u>\$ 1 571 223</u>	<u>\$ 8 600</u>	<u>\$ 20 649</u>	<u>\$1 559 174</u>

Unrealized gains totaled \$49,278, realized gains totaled \$32,538 and dividends totaled \$42,059 for 2019.

### Note 3 - Property and equipment

A summary of property and equipment follows:

	June 30, 2019		June 30, 2018	
	Cost or Value	Accumulated Depreciation	Cost or Value	Accumulated Depreciation
Property and equipment purchased	\$ 349 951	\$ 197 987	\$ 650 369	\$ 447 908
Property and equipment donated	9 627	9 627	9 627	9 627
Land	100 000	-	100 000	-
Buildings	2 406 691	1 295 699	2 389 695	1 205 713
Law library, purchased	24 824	24 824	24 824	24 824
Law library, donated	<u>13 085</u>	<u>13 085</u>	<u>13 085</u>	<u>13 085</u>
	<u>\$ 2 904 178</u>	<u>\$ 1 541 222</u>	<u>\$ 3 187 600</u>	<u>\$ 1 701 157</u>

Depreciation expense for the current year was \$134,351.

# Legal Aid Justice Center

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## Notes to Financial Statements June 30, 2019

### Note 4 - Lease commitments

Legal Aid Justice Center has leases for offices located in Falls Church, Petersburg and Richmond, Virginia. Rent expense for all the offices totaled \$255,579 for 2019. The Falls Church office has a five year lease through September 30, 2023 at a current base rent of \$10,800 per month, with a 5% annual rate increase. The Richmond office has a ten year lease through April 30, 2030 at a base rent of \$10,008 per month with a 2.5% annual increase. The Petersburg office has a three year lease through March 31, 2021 at a base rent of \$1,050 per month with a 2.0% annual increase and allows for five three year extensions. Future lease payments are as follows:

2020	\$	261 640
2021		266 967
2022		274 976
2023		151 805
2024		125 632
thereafter		<u>866 492</u>
	\$	<u>1 947 512</u>

### Note 5 - Concentration of funding

Funding received through general purpose contracts from the Legal Services Corporation of Virginia total 30% and subgrants received from Virginia Poverty Law Center total 8% of the total funding received by LAJC.

### Note 6 - Donor restricted net assets

There are no donor restricted net assets as of the current year.

### Note 7 - Pension plan

Legal Aid Justice Center has a pension plan which qualifies under Section 403(b) of the Internal Revenue Code, in which employees may elect to have amounts withheld from their salaries and invested in tax deferred annuities. Contributions to the plan totaled \$81,729 in 2019. Legal Aid Justice Center shall determine, in its sole discretion, the amount of employer contribution to be made to the plan.

### Note 8 - Concentration of credit risk

Financial instruments which potentially subject the Corporation to concentration of credit risk consist principally of cash and unsecured receivables. Cash accounts are maintained at one financial institutions in Central Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year the balance exceeds the insured amount, but management believes there is no significant credit risk for receivables because of close monitoring.

### Note 9 - Donated services and property

Legal Aid Justice Center received the following donated services for the year ended June 30, 2019:

Attorney services (\$250 per hour)	\$	1 700 438
Other support (\$15 - \$20 per hour)		72 872
Law interns, paralegal - volunteer (\$75 per hour)		<u>2 065 919</u>
	\$	<u>3 839 229</u>

# Legal Aid Justice Center

## Notes to Financial Statements June 30, 2019

### Note 10 - Comparative amounts

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

### Note 11 - Other accounts receivables

Other accounts receivable consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Other	\$ 1 172	\$ 3 507
Miscellaneous grant funding	<u>75 358</u>	<u>207 743</u>
	<u>\$ 76 530</u>	<u>\$ 211 250</u>

### Note 12 - Restricted Funding

Legal Aid Justice Center receives purpose restricted funding from Legal Services Corporation of Virginia (LSCV). No state appropriated funds received from the Corporation were used to provide civil legal services to prisoners regarding the conditions of their confinement, to engage in lobbying on juvenile justice issues, nor to provide administrative support for these activities.

### Note 13 - Subsequent events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through July 18, 2019 the date the financial statements were issued.

### Note 14 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 2 086 872
Investments	1 683 049
Accounts receivable	<u>76 530</u>
	<u>\$ 3 846 451</u>

### Note 15 - Note payable

Legal Aid Justice Center has a permanent loan for \$944,464 at a current interest rate of 3.6% for five years for the purchase and renovation of a building. The balance due as of June 30, 2019 was \$311,797 and as of June 30, 2018 was \$346,642. The bank will hold first deed of trust on the building as collateral. Interest expense totaled \$11,909 for the current year.

2020	36 090
2021	37 441
2022	25 683
Balloon payment	<u>212 583</u>
	<u>\$ 311 797</u>

# Legal Aid Justice Center

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## Notes to Financial Statements June 30, 2019

### Note 16 - Fair value measurements

Legal Aid Justice Center records fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Three levels of the fair value hierarchy are as follows:

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

The investments, note payable and line of credit were measured at fair value by level one valuation.

### Note 17 - Line of Credit

Legal Aid Justice Center maintains a \$350,000 secured bank line of credit dated May 13, 2019. The line has a two-year term, provisions for annual extensions, and includes a due on demand feature. The line currently matures on May 15, 2021. Interest, at the Bank's Prime Rate less .250% (4.0% at June 30, 2019), is payable monthly. The building is held as security on the line of credit. There was no balance due as of the end of the current or prior year.

### Note 18 - Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) "Presentation of Financial Statements of Not-for-Profit Entities". The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied retrospectively to all periods presented, but there were no changes to net assets.

## **Accompanying Information**

Statement of Support, Revenue, Expenses and Changes in Net Assets  
For the Year Ended June 30, 2019  
(with summarized totals for the year ended June 30, 2018)

	Without donor restrictions				Total Unrestricted	With Donor Restrictions	Total 2019	Total 2018
	Legal Services Corporation of Virginia	Virginia Poverty Law Center	General Funding	Property and Equipment				
<b>Support and revenue</b>								
Grants and contracts	\$ 1,673,665	\$ -	\$ 1,373,803	\$ -	\$ 3,047,468	\$ 432,613	\$ 3,480,081	\$ 3,651,324
Local funding	-	-	541,735	-	541,735	-	541,735	665,579
Investment income	-	-	123,876	-	123,876	-	123,876	30,735
Donated services and equipment	-	-	3,839,229	-	3,839,229	-	3,839,229	4,244,960
Contributions	-	-	1,100,065	-	1,100,065	-	1,100,065	1,043,278
Other	-	-	246,595	-	246,595	-	246,595	165,036
Net assets released from restrictions:								
Expiration of time or purpose restrictions	-	432,613	-	-	432,613	(432,613)	-	-
<b>Total support and revenue</b>	<u>1,673,665</u>	<u>432,613</u>	<u>7,225,303</u>	<u>-</u>	<u>9,331,581</u>	<u>-</u>	<u>9,331,581</u>	<u>9,800,912</u>
<b>Expenses</b>								
Attorney salaries	606,217	180,172	1,243,165	-	2,029,554	-	2,029,554	2,135,671
Fringe benefits	337,702	91,478	560,043	-	989,223	-	989,223	1,072,688
Non-attorney legal salaries	354,910	102,801	665,614	-	1,123,325	-	1,123,325	1,126,400
Audit	2,730	-	5,470	-	8,200	-	8,200	8,200
Board expenses	-	-	3,340	-	3,340	-	3,340	3,681
Communication	28,453	4,625	52,395	-	85,473	-	85,473	88,146
Consultant fees	21,937	-	43,962	-	65,899	-	65,899	120,780
Consumables	10,628	4,736	16,852	-	32,216	-	32,216	29,306
Donated services and equipment	-	-	3,839,229	-	3,839,229	-	3,839,229	4,244,960
Equipment rental and repair	49,917	1,750	94,655	-	146,322	-	146,322	167,956
Fundraising	26,159	-	52,422	-	78,581	-	78,581	224,106
Insurance	9,779	-	19,596	-	29,375	-	29,375	27,845
Interest expense	3,965	-	7,944	-	11,909	-	11,909	13,140
Library expense	9,230	-	18,496	-	27,726	-	27,726	24,542
Litigation	8,649	1,556	15,776	-	25,981	-	25,981	41,140
Occupancy	135,353	13,798	257,764	-	406,915	-	406,915	356,945
Office dues	5,294	1,480	9,128	-	15,902	-	15,902	17,419
Other expenses	12,778	231	26,458	-	39,467	-	39,467	46,638
Postage	3,113	-	6,240	-	9,353	-	9,353	9,279
Recruiting	2,056	-	4,122	-	6,178	-	6,178	975
Reproduction	1,626	-	3,258	-	4,884	-	4,884	3,557
Subgrants	-	-	56,735	-	56,735	-	56,735	31,736
Technologies Upgrades	7,925	-	19,509	-	27,434	-	27,434	14,286
Training	12,107	2,321	21,940	-	36,368	-	36,368	29,821
Travel	23,410	27,665	19,247	-	70,322	-	70,322	105,713
Depreciation	-	-	-	134,351	134,351	-	134,351	135,855
<b>Total expenses</b>	<u>1,673,938</u>	<u>432,613</u>	<u>7,063,360</u>	<u>134,351</u>	<u>9,304,262</u>	<u>-</u>	<u>9,304,262</u>	<u>10,080,785</u>
<b>Change in net assets</b>	(273)	-	161,943	(134,351)	27,319	-	27,319	(279,873)
<b>Net assets at beginning of year</b>	4,910	-	954,873	1,099,617	2,059,400	-	2,059,400	2,339,273
Acquisition of property	-	-	(10,864)	10,864	-	-	-	-
Transfer	-	-	(40,185)	40,185	-	-	-	-
Principle payment on note payable	-	-	(34,844)	34,844	-	-	-	-
<b>Net assets at end of year</b>	<u>\$ 4,637</u>	<u>\$ -</u>	<u>\$ 1,030,923</u>	<u>\$ 1,051,159</u>	<u>\$ 2,086,719</u>	<u>\$ -</u>	<u>\$ 2,086,719</u>	<u>\$ 2,059,400</u>