

LEGAL AID JUSTICE CENTER

**Financial Statement
and
Accompanying Information
for the year ended
June 30, 2021**

**(With comparative financial information
as of June 30, 2020)**

LEGAL AID JUSTICE CENTER

Contents

	Page
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12
Accompanying Information	
Schedule of Support, Revenue and Expenses and Changes in Net Assets	13

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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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 2020 financial statements, and our report dated July 24, 2020, 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, 2020, 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 30, 2021

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Members American Institute of Certified Public Accountants

Legal Aid Justice Center

-3-

Statement of Financial Position

June 30, 2021

(with comparative totals for the year ended June 30, 2020)

Assets	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 2,504,282	\$ 2,756,100
Investments	3,236,993	2,244,595
Cash in escrow, client deposits	14,258	13,366
Other receivables	367,724	211,910
Prepaid expenses	49,738	50,581
Total current assets	<u>6,172,995</u>	<u>5,276,552</u>
Property and equipment		
Furniture, improvements and property, net	<u>1,274,090</u>	<u>1,381,787</u>
Other assets		
Deposits	<u>22,477</u>	<u>22,603</u>
Total assets	<u>\$ 7,469,562</u>	<u>\$ 6,680,942</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 148,461	\$ 297,615
Note payable - short term	-	36,090
Client deposits	14,258	13,366
Unearned revenue	4,936,655	3,435,635
Deposits payable	4,127	18,322
Total current liabilities	<u>5,103,501</u>	<u>3,801,028</u>
Note Payable	-	826,516
Total liabilities	<u>5,103,501</u>	<u>4,627,544</u>
Commitments		
Net assets		
Without donor restrictions		
General	1,091,971	947,317
Property and equipment	<u>1,274,090</u>	<u>1,106,081</u>
Total net assets	<u>2,366,061</u>	<u>2,053,398</u>
Total liabilities and net assets	<u>\$ 7,469,562</u>	<u>\$ 6,680,942</u>

See notes to financial statements.

Legal Aid Justice Center

-4-

Statement of Activities

For the Year Ended June 30, 2021

(with summarized totals for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Support and revenue				
Grants and contracts	\$ 4,225,119	\$ 531,869	\$ 4,756,988	\$ 4,116,766
Local funding	870,456	-	870,456	570,937
Investment income	230,383	-	230,383	112,418
Donated services	5,688,757	-	5,688,757	5,141,110
Contributions	965,001	-	965,001	1,148,375
Attorney fees	-	-	-	-
Other income	882,200	-	882,200	184,096
	<u>12,861,916</u>	<u>531,869</u>	<u>13,393,785</u>	<u>11,273,702</u>
Net assets released from restrictions				
Expiration of time or purpose restrictions	<u>531,869</u>	<u>(531,869)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>13,393,785</u>	<u>-</u>	<u>13,393,785</u>	<u>11,273,702</u>
Expenses				
Program services				
Legal assistance	11,655,721	-	11,655,721	10,140,822
Supporting services				
Management and general	756,741	-	756,741	563,088
Fund-raising expenses	<u>668,660</u>	<u>-</u>	<u>668,660</u>	<u>603,113</u>
Total expenses	<u>13,081,122</u>	<u>-</u>	<u>13,081,122</u>	<u>11,307,023</u>
Change in net assets	312,663	-	312,663	(33,321)
Net assets at beginning of year	<u>2,053,398</u>	<u>-</u>	<u>2,053,398</u>	<u>2,086,719</u>
Net assets at end of year	<u>\$ 2,366,061</u>	<u>\$ -</u>	<u>\$ 2,366,061</u>	<u>\$ 2,053,398</u>

See notes to financial statements.

Legal Aid Justice Center

Statement of Functional Expenses

June 30, 2021

(with summarized totals for the year ended June 30, 2020)

	Program Services	Supporting Services	Fundraising Expense	2021 Total Expenses	2020 Total Expenses
Attorney salaries	\$ 2,351,714	\$ 146,381	\$ 65,673	\$ 2,563,768	\$ 2,223,838
Fringe benefits	1,049,084	133,526	112,452	1,295,062	1,131,603
Other professional salaries	1,272,064	345,047	357,866	1,974,977	1,440,320
Audit	7,322	878	-	8,200	8,200
Board expenses	1,155	138	-	1,293	6,771
Communication	89,927	12,027	10,315	112,269	93,945
Consultant fees	206,719	24,802	-	231,521	68,321
Consumables	13,940	1,864	1,599	17,403	25,349
Donated services and equipment	5,688,757	-	-	5,688,757	5,141,110
Equipment rental and repair	162,815	19,534	-	182,349	175,089
Fundraising	-	-	80,994	80,994	108,418
Insurance	33,910	4,535	3,889	42,334	32,751
Interest expense	2,229	268	-	2,497	10,663
Library expense	27,634	-	-	27,634	25,944
Litigation	22,979	-	-	22,979	32,699
Occupancy	312,737	41,826	35,872	390,435	402,240
Office dues	31,271	-	-	31,271	18,566
Other expenses	17,656	2,119	-	19,775	32,833
Postage	4,897	588	-	5,485	8,305
Recruiting	3,553	-	-	3,553	1,754
Reproduction	2,449	294	-	2,743	3,398
Subgrants	161,927	-	-	161,927	23,730
Technologies upgrades	33,341	4,000	-	37,341	9,742
Training	17,468	2,096	-	19,564	84,449
Travel	33,784	4,054	-	37,838	60,796
Depreciation	106,389	12,764	-	119,153	136,189
	<u>\$ 11,655,721</u>	<u>\$ 756,741</u>	<u>\$ 668,660</u>	<u>\$ 13,081,122</u>	<u>\$ 11,307,023</u>

See notes to financial statements.

Legal Aid Justice Center

-6-

Statement of Cash Flows

For the Year Ended June 30, 2021

(with comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 312,663	\$ (33,321)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used by) operating activities		
Depreciation	119,153	136,189
(Increase) decrease in receivables	(155,814)	(135,381)
(Increase) decrease in prepaid expenses	843	40,918
(Increase) decrease in deposits	126	(2,668)
Increase (decrease) in accounts payable	(149,155)	166,611
Increase (decrease) in unearned revenue	1,501,021	778,411
Increase (decrease) in deposits payable	(14,195)	8,298
Increase (decrease) in accrued annual leave	<u>-</u>	<u>(124,072)</u>
Net cash provided by (used by) operations	<u>1,614,642</u>	<u>834,985</u>
Cash flows used in investing activities		
Additions to property and equipment	(11,456)	(155,020)
Additions to investments	<u>(992,398)</u>	<u>(561,546)</u>
Net cash provided by (used by) investing activities	<u>(1,003,854)</u>	<u>(716,566)</u>
Cash flows used in financing activities		
Principle payments on note payable	(275,706)	(36,091)
Note payable PPP	<u>(586,900)</u>	<u>586,900</u>
Net cash provided by (used by) financing activities	<u>(862,606)</u>	<u>550,809</u>
Net increase (decrease) in cash and cash equivalents	(251,818)	669,228
Cash and cash equivalents, beginning of year	<u>2,756,100</u>	<u>2,086,872</u>
Cash and cash equivalents, end of year	\$ <u><u>2,504,282</u></u>	\$ <u><u>2,756,100</u></u>
Supplemental disclosure of cash flows information		
Cash paid during the year for interest	\$ <u><u>2,497</u></u>	\$ <u><u>11,909</u></u>

See notes to financial statements.

Legal Aid Justice Center

-7-

Notes to Financial Statements June 30, 2021

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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 donor 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

-8-

Notes to Financial Statements June 30, 2021

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, 2021

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, 2021 and 2020 are as follows:

2021	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market	\$ 21 020	\$ -	\$ -	\$ 21 020
Mutual fund	1 773 330	194 290	-	1 967 620
ETF Bond Funds	<u>1 199 885</u>	<u>48 468</u>	-	<u>1 248 353</u>
	<u>\$ 2 994 235</u>	<u>\$ 242 758</u>	<u>\$ -</u>	<u>\$ 3 236 993</u>

2020	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market	\$ 43 269	\$ -	\$ -	\$ 43 269
Certificate of deposits	450 000	-	-	450 000
Mutual fund	598 141	17 573	-	615 714
ETF Bond Funds	<u>1 063 734</u>	<u>171 219</u>	<u>99 341</u>	<u>1 135 612</u>
	<u>\$ 2 155 144</u>	<u>\$ 188 792</u>	<u>\$ 99 341</u>	<u>\$ 2 244 595</u>

Unrealized gains totaled \$153,305, realized gains totaled \$40,035, interest income of \$1,175 and dividends totaled \$35,868 for 2021.

Note 3 - Property and equipment

A summary of property and equipment follows:

	June 30, 2021		June 30, 2020	
	Cost or Value	Accumulated Depreciation	Cost or Value	Accumulated Depreciation
Property and equipment purchased	\$ 349 951	\$ 255 052	\$ 349 951	\$ 235 238
Property and equipment donated	9 627	9 627	9 627	9 627
Land	100 000	-	100 000	-
Buildings	2 423 389	1 435 938	2 411 933	1 347 813
Leasehold improvements	149 777	58 037	149 777	46 823
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>\$ 3 070 653</u>	<u>\$ 1 796 563</u>	<u>\$ 3 059 197</u>	<u>\$ 1 677 410</u>

Depreciation expense for the current year was \$119,153.

Legal Aid Justice Center

Notes to Financial Statements June 30, 2021

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 \$273,086 for 2021. The Falls Church office has a five year lease through August 15, 2022 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, 2024 at a base rent of \$1,000 per month and allows for five, three year extensions. Future lease payments are as follows:

2022	\$	270 808
2023		149 757
2024		134 632
2025		129 828
2026		145 254
thereafter		<u>591 411</u>
	\$	<u>1 421 690</u>

Note 5 - Concentration of funding

Funding received through general purpose contracts from the Legal Services Corporation of Virginia total 25% and sub-grants received from Virginia Poverty Law Center total 7% 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 \$157,935 in 2021. 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, 2021:

Attorney services (\$325 per hour)	\$	3 784 027
Other support (\$50-\$125 per hour)		420 380
Clinic students (\$125 per hour)		1 333 991
Law interns, paralegal - volunteer (\$125 per hour)		<u>150 359</u>
	\$	<u>5 688 757</u>

Legal Aid Justice Center

-11-

Notes to Financial Statements June 30, 2021

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, 2020, from which the summarized information was derived.

Note 11 - Other accounts receivables

Other accounts receivable consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Other	\$ 7 826	\$ 495
Miscellaneous grant funding	<u>359 898</u>	<u>211 415</u>
	<u>\$ 367 724</u>	<u>\$ 211 910</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 30, 2021 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:

	2021	2020
Cash	\$ 2 504 282	\$ 2 756 100
Investments	3 236 993	2 244 595
Accounts receivable	<u>364 724</u>	<u>211 910</u>
	<u>\$ 6 105 999</u>	<u>\$ 5 212 605</u>

Note 15 - 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 August 15, 2021. Interest, at the Bank's Prime Rate less .250% (3.25% at June 30, 2021), 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.

Notes to Financial Statements June 30, 2021

Note 16 - Note payable

Legal Aid Justice Center had 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, 2021 was \$0 and as of June 30, 2020 was \$311,797. The bank held a first deed of trust on the building as collateral. Interest expense totaled \$2,497 for the current year. The loan was paid off in 2021.

Note 17 - 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 18 - Future accounting pronouncements

In February 2016, *Financial Accounting Standards Board* (FASB) issued new guidance over leases which requires that all leasing activity with terms greater than one year be recognized on the statement of financial position with a right of use asset and a lease liability. The asset and corresponding liability will be calculated based upon the present value of lease payments. The new standard will be effective for periods beginning after December 2021.

Note 19 - Paycheck Protection Program Loan Payable

On April 2020, Legal Aid Justice Center received loan proceeds in the amount of \$586,900 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organizations. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Corporation intends to use the proceeds for purposes consistent with the PPP. The loan proceeds met the conditions for forgiveness and was forgiven in whole during 2021.

Accompanying Information

Legal Aid Justice Center

-13-

Statement of Support, Revenue, Expenses and Changes in Net Assets For the Year Ended June 30, 2021 (with summarized totals for the year ended June 30, 2020)

	Without donor restrictions				Total Unrestricted	With Donor Restrictions	Total 2021	Total 2020
	Legal Services Corporation of Virginia	Virginia Poverty Law Center	General Funding	Property and Equipment				
Support and revenue								
Grants and contracts	\$ 1,896,828	\$ -	\$ 2,328,291	\$ -	\$ 4,225,119	\$ 531,869	\$ 4,756,988	\$ 4,116,766
Local funding	-	-	870,456	-	870,456	-	870,456	570,937
Investment income	-	-	230,383	-	230,383	-	230,383	112,418
Donated services and equipment	-	-	5,688,757	-	5,688,757	-	5,688,757	5,141,110
Contributions	-	-	965,001	-	965,001	-	965,001	1,148,375
Other	-	-	882,200	-	882,200	-	882,200	184,096
Net assets released from restrictions:								
Expiration of time or purpose restrictions	-	531,869	-	-	531,869	(531,869)	-	-
Total support and revenue	<u>1,896,828</u>	<u>531,869</u>	<u>10,965,088</u>	<u>-</u>	<u>13,393,785</u>	<u>-</u>	<u>13,393,785</u>	<u>11,273,702</u>
Expenses								
Attorney salaries	660,986	180,835	1,721,947	-	2,563,768	-	2,563,768	2,223,838
Fringe benefits	331,331	96,893	866,838	-	1,295,062	-	1,295,062	1,131,603
Non-attorney legal salaries	496,332	162,557	1,316,088	-	1,974,977	-	1,974,977	1,440,320
Audit	2,148	-	6,052	-	8,200	-	8,200	8,200
Board expenses	-	-	1,293	-	1,293	-	1,293	6,771
Communication	29,032	8,485	74,752	-	112,269	-	112,269	93,945
Consultant fees	63,869	-	167,652	-	231,521	-	231,521	68,321
Consumables	4,447	2,822	10,134	-	17,403	-	17,403	25,349
Donated services and equipment	-	-	5,688,757	-	5,688,757	-	5,688,757	5,141,110
Equipment rental and repair	-	17,072	165,277	-	182,349	-	182,349	175,089
Fundraising	53,023	-	27,971	-	80,994	-	80,994	108,418
Insurance	11,087	-	31,247	-	42,334	-	42,334	32,751
Interest expense	1,635	-	862	-	2,497	-	2,497	10,663
Library expense	7,236	-	20,398	-	27,634	-	27,634	25,944
Litigation	6,018	3,027	13,934	-	22,979	-	22,979	32,699
Occupancy	-	24,831	365,604	-	390,435	-	390,435	402,240
Office dues	8,190	1,717	21,364	-	31,271	-	31,271	18,566
Other expenses	12,946	3,037	3,792	-	19,775	-	19,775	32,833
Postage	3,591	-	1,894	-	5,485	-	5,485	8,305
Recruiting	2,326	-	1,227	-	3,553	-	3,553	1,754
Reproduction	1,795	-	948	-	2,743	-	2,743	3,398
Subgrants	-	-	161,927	-	161,927	-	161,927	23,730
Technologies Upgrades	-	-	37,341	-	37,341	-	37,341	9,742
Training	5,123	4,814	9,627	-	19,564	-	19,564	84,449
Travel	9,823	25,683	2,332	-	37,838	-	37,838	60,796
Depreciation	-	-	-	119,153	119,153	-	119,153	136,189
Total expenses	<u>1,710,938</u>	<u>531,773</u>	<u>10,719,258</u>	<u>119,153</u>	<u>13,081,122</u>	<u>-</u>	<u>13,081,122</u>	<u>11,307,023</u>
Change in net assets	185,890	96	245,830	(119,153)	312,663	-	312,663	(33,321)
Net assets at beginning of year	38,984	-	908,333	1,106,081	2,053,398	-	2,053,398	2,086,719
Acquisition of property	(11,456)	-	-	11,456	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
Principle payment on note payable	-	-	(275,706)	275,706	-	-	-	-
Net assets at end of year	<u>\$ 213,418</u>	<u>\$ 96</u>	<u>\$ 878,457</u>	<u>\$ 1,274,090</u>	<u>\$ 2,366,061</u>	<u>\$ -</u>	<u>\$ 2,366,061</u>	<u>\$ 2,053,398</u>