

**LEGAL SERVICES OF  
NORTHERN VIRGINIA, INC.**

**Financial Statements  
and  
Accompanying Information  
for the year ended  
June 30, 2024  
(with comparative financial information  
as of June 30, 2023)**

# LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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

**Independent Auditor's Report**

Board of Directors  
Legal Services of Northern Virginia, Inc.  
Fairfax, Virginia

**Opinion**

We have audited the accompanying financial statements of Legal Services of Northern Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Services of Northern Virginia, Inc. as of June 30, 2024, 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Services of Northern Virginia and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

**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 Services of Northern Virginia, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted 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, including omissions, 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 generally accepted 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 Services of Northern Virginia, Inc.'s 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 Services of Northern Virginia, Inc.'s 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.

### **Report on Summarized Comparative Information**

We have previously audited the Legal Services of Northern Virginia Inc.'s June 30, 2023 financial statements, and our report dated September 22, 2023, 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, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; schedule of support, revenue and expenses; schedule of grants and contracts; schedule of support, revenue, expenses and changes in net assets as they relate to Legal Services Corporation, Legal Services Corporation of Virginia, Department of Justice, Fairfax Housing Grant, NVRC/Ryan White Grant, Low Income Taxpayer Clinics, Victim Witness Assistance Program (VOCA), VA Homeless Veterans and Local Funding; and the schedule of expenses by service area are presented for purposes of additional analysis 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2024 on our consideration of Legal Services of Northern Virginia Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Legal Services of Northern Virginia Inc.'s internal control over financial reporting and compliance.

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

Frank Barcalow CPA, P.L.L.C.  
Richmond, Virginia  
October 4, 2024

# LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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## Statement of Financial Position

June 30, 2024

(with comparative financial information as of June 30, 2023)

### Assets

	<u>2024</u>	<u>2023</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,765,411	\$ 2,762,017
Investments	899,057	872,100
Accounts receivable	454,993	447,192
Client escrow funds	19,185	4,226
Prepaid expenses	109,445	94,043
<b>Total current assets</b>	<u>4,248,091</u>	<u>4,179,578</u>
<b>Property and equipment</b>		
Furniture and equipment	475,466	323,224
Leasehold improvements	74,520	74,520
Law library	92,926	92,926
	<u>642,912</u>	<u>490,670</u>
Less: accumulated depreciation	475,692	484,950
<b>Total property and equipment</b>	<u>167,220</u>	<u>5,720</u>
<b>Other assets</b>		
Operating lease	277,364	338,838
Security deposits	33,718	33,718
<b>Total other assets</b>	311,082	372,556
<b>Total assets</b>	<u>\$ 4,726,393</u>	<u>\$ 4,557,854</u>

### Liabilities and net assets

#### Current liabilities

Accounts payable	\$ 53,666	\$ 69,666
Accrued vacation	284,165	260,228
Lease payable	192,492	232,463
Unearned support	284,886	211,588
Unearned support - LSC	427,522	443,419
Client escrow deposits	19,185	4,226

#### Total current liabilities

1,261,916                      1,221,590

#### Long-term liabilities

Lease payable - long term	<u>84,872</u>	<u>106,375</u>
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#### Net assets

Without donor restrictions	3,379,605	3,229,889
With donor restrictions	<u>-</u>	<u>-</u>

#### Total net assets

3,379,605                      3,229,889

#### Total liabilities and net assets

\$ 4,726,393                      \$ 4,557,854

See notes to financial statements

# LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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## Statement of Activities

For the Year Ended June 30, 2024

(with summarized financial information for the year ended June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support and revenue</b>				
Federal grants	\$ 1,209,814	\$ 2,320,541	\$ 3,530,355	\$ 3,362,065
State and local grants	3,530,830	-	3,530,830	3,215,547
Other support	583,597	-	583,597	1,061,390
Interest income	46,876	-	46,876	15,187
Contributions	444,689	-	444,689	326,397
In-kind support	639,651	-	639,651	806,901
Other income	3,505	-	3,505	2,050
	<u>6,458,962</u>	<u>2,320,541</u>	<u>8,779,503</u>	<u>8,789,537</u>
<b>Net assets released from restrictions</b>				
Expiration of time or purpose restrictions	<u>2,320,541</u>	<u>(2,320,541)</u>	<u>-</u>	<u>-</u>
<b>Total support and revenue</b>	<u>8,779,503</u>	<u>-</u>	<u>8,779,503</u>	<u>8,789,537</u>
<b>Expenses</b>				
<b>Program services</b>				
Legal assistance	7,628,722	-	7,628,722	7,641,944
<b>Supporting services</b>				
Management and general	816,962	-	816,962	771,042
Fund raising	184,103	-	184,103	121,994
	<u>8,629,787</u>	<u>-</u>	<u>8,629,787</u>	<u>8,534,980</u>
<b>Total expenses</b>	<u>8,629,787</u>	<u>-</u>	<u>8,629,787</u>	<u>8,534,980</u>
<b>Change in net assets</b>	149,716	-	149,716	254,557
<b>Net assets at beginning of year</b>	<u>3,229,889</u>	<u>-</u>	<u>3,229,889</u>	<u>2,975,332</u>
<b>Net assets at end of year</b>	<u>\$ 3,379,605</u>	<u>\$ -</u>	<u>\$ 3,379,605</u>	<u>\$ 3,229,889</u>

See notes to financial statements

# LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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## Statement of Functional Expenses For the Year Ended June 30, 2024

(with summarized financial information for the year ended June 30, 2023)

	Program Services (1)	Management and General	Fundraising Expense	2024 Total Expenses	2023 Total Expenses
<b>Personnel</b>					
Salaries	\$ 4,798,833	\$ 506,813	\$ 85,981	\$ 5,391,627	5,166,917
Health insurance	816,109	84,674	-	900,783	975,546
Disability insurance	13,498	1,401	-	14,899	14,253
Life insurance	10,685	1,109	-	11,794	12,444
Payroll taxes, FICA	356,556	37,676	6,578	400,810	382,441
Pension plan expense	214,830	22,289	-	237,119	219,760
Flexible benefits plan	6,164	645	-	6,809	6,860
	<u>6,216,675</u>	<u>654,607</u>	<u>92,559</u>	<u>6,963,841</u>	<u>6,778,221</u>
<b>Non-personnel</b>					
Office space and maintenance	250,717	26,600	5,661	282,978	278,521
Equipment supply and maintenance	71,792	7,619	1,640	81,051	109,460
Office supplies and telephone	110,445	11,718	2,493	124,656	135,515
Insurance	29,402	3,050	-	32,452	35,288
Library	29,916	-	-	29,916	34,180
Litigation costs	17,166	-	-	17,166	27,101
Dues and licenses	22,713	2,356	-	25,069	28,308
Travel and training	70,477	7,499	1,803	79,779	73,908
Contract services	95,164	86,749	79,947	261,860	184,429
Audit and other	41,410	13,320	-	54,730	41,289
	<u>739,202</u>	<u>158,911</u>	<u>91,544</u>	<u>989,657</u>	<u>947,999</u>
<b>Non-cash expenses</b>					
Accrued vacation	21,687	2,250	-	23,937	(9,478)
Depreciation	11,507	1,194	-	12,701	11,337
Donated facilities	146,901	-	-	146,901	146,901
Donated services	492,750	-	-	492,750	660,000
	<u>672,845</u>	<u>3,444</u>	<u>-</u>	<u>676,289</u>	<u>808,760</u>
<b>Total expenses</b>	\$ <u>7,628,722</u>	\$ <u>816,962</u>	\$ <u>184,103</u>	\$ <u>8,629,787</u>	<u>8,534,980</u>

(1) Legal assistance provided to eligible low-income clients in the following areas of law: Family, Consumer, Housing, Public Benefits, Veterans Benefits, Health Care, Employment and Miscellaneous.

See notes to financial statements

# LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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## Statement of Cash Flows

For the Year Ended June 30, 2024

(with comparative financial information as of June 30, 2023)

	2024	2023
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 149,716	\$ 254,557
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	12,701	11,337
(Increase) decrease in accounts receivable	(7,801)	253,574
(Increase) decrease in prepaid expenses	(15,402)	35,880
(Increase) decrease in operating lease	61,474	15,536
Increase (decrease) in accounts payable	(16,000)	29,662
Increase (decrease) in accrued expenses	23,937	(9,478)
Increase (decrease) in lease payable	(61,474)	(15,536)
Increase (decrease) in unearned support	57,401	(133,079)
<b>Net cash (used in) provided by operating activities</b>	<u>204,552</u>	<u>442,453</u>
<b>Cash flows used in investing activities</b>		
Acquisition of property and equipment	(174,200)	-
Purchase of investments	(26,958)	(8,523)
Sale of investments	-	-
<b>Net cash (used in) provided by investing activities</b>	<u>(201,158)</u>	<u>(8,523)</u>
<b>Cash flows used in financing activities</b>		
Lease payable proceeds	-	-
<b>Net cash (used in) provided by financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	3,394	433,930
<b>Cash and cash equivalents, beginning of year</b>	<u>2,762,017</u>	<u>2,328,087</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,765,411</u>	<u>\$ 2,762,017</u>
<b>Supplemental disclosure of cash flows information</b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements



## Notes to Financial Statements June 30, 2024

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

#### *Nature of organization*

Legal Services of Northern Virginia, Inc. (LSNV), a nonprofit corporation, was incorporated on August 10, 1978, for the purpose of providing legal assistance in non-criminal proceedings or matters to persons financially unable to afford legal assistance in the Northern Virginia counties of Arlington, Fairfax, Loudoun and Prince William and the cities of Manassas, Manassas Park, Alexandria, Fairfax and Falls Church.

#### *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 restrictions are reclassified to net assets without donor restrictions.

The Corporation uses the allowance method to determine uncollectible unconditional promises 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. Under generally accepted accounting principles, LSNV is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

#### *Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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, LSNV considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### *Property and equipment*

Property and equipment are recorded at cost or at fair market value, if donated. Acquisitions with a value greater than \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**Notes to Financial Statements  
June 30, 2024****Note 1 - Summary of significant accounting policies (continued)*****Support***

LSNV recognizes grant funds from cost-reimbursable grants as support when eligible costs are incurred. A receivable is recognized to the extent contract support earned exceeds grant funds received. Grants are recorded as revenue when earned, unless received prior to the grant period, in which case they are recorded as deferred revenue.

LSNV receives greater than 10% of its grant revenue from each of the following grantors:

Legal Services Corporation	29%
Legal Services Corporation of Virginia	29%

Grants are restricted by virtually all funding sources as to geographic region in which they can be spent. In addition, certain funding sources also restrict the purpose for which their grant may be used.

***Allocation of expenses***

Common expenses are incurred which support the work performed under more than one grant or contract. Expenses are allocated among LSNV's funding sources on the basis of case handling staff time records or other allocation methods that are reasonable. Non-salary personnel and non-personnel expenses are allocated to funding sources based upon the percentage of staff salary time records which are incurred for each funded activity. Specific expenses related to individual grants or contracts will be charged directly. Expenses will be allocated quarterly, unless required more frequently by a funding source. In all cases, expenses will be reviewed to determine whether they are consistent with grant or contract requirements.

The costs of providing program services have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs, as described above, have been allocated between program services and supporting services.

***Law library***

The law library is recorded at cost and depreciated over its estimated useful life of seven years. Law books and periodicals considered as supplements or updates to the existing library are expensed as purchased.

***Reclassifications***

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

***Income taxes***

LSNV is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from Virginia state income taxes. Therefore, no provision or liability for federal or state income taxes has been made. In addition, LSNV has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code. The Organization's income tax returns are potentially subject to examination by the Internal Revenue Service generally for three years after being filed. LSNV has no uncertain tax positions for the current year or prior year.

**Notes to Financial Statements  
June 30, 2024**

**Note 2 - In-kind support**

Donated services and facilities are summarized as follows:

	<u>2024</u>
Pro Bono Program	\$ 492 750
Facilities	<u>146 901</u>
	<u>\$ 639 651</u>

The Pro Bono Program includes attorneys and paralegals who have donated time to LSNV. For the purpose of reporting such donated time, LSNV values attorney services at the rate of \$250 per hour and paralegal services at the rate of \$100 per hour. LSNV utilizes approximately 6,083 square feet for its Fairfax office which is valued at the fair market rate. All in-kind support was recognized as revenue and expense in the accompanying financial statements, except for property which is either expensed if the value is below \$5,000 or capitalized and depreciated over the life of the donated asset if greater.

**Note 3 - Accounts receivable**

Accounts receivable does not record an allowance for bad debts because there has been no history of any bad debts in the past.

Accounts receivable consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Miscellaneous grant funding	\$ <u>454 993</u>	\$ <u>447 192</u>

**Note 4 - Concentration of credit risk**

Financial instruments which potentially subject LSNV to concentration of credit risk consist principally of cash, cash equivalents, and unsecured receivables. Cash and cash equivalents are maintained in several financial institutions in Northern Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for 2024 and for 2023. Balances may exceed the maximum FDIC insured on occasion but management does not believe there is significant risk.

Management believes there are no significant credit risks from receivables that are due primarily from grant funding.

**Note 5 - Private Attorney Involvement (PAI)**

LSC regulations require that at least 12.5% of the basic LSC grant be allocated to private attorney involvement. LSC funding of \$2,262,685 times 12.5% produces the minimum requirement of \$282,836. LSNV expended \$283,994 for the year ended June 30, 2024. The amount expended was \$1,158 more than required.

**Note 6 - Net assets with donor restrictions**

There were no net asset with donor restriction for the year ended June 30, 2024. Net assets released from time restrictions for the year ended June 30, 2024 totaled \$2,320,541 from Legal Services Corporation.

**Note 7 - Retirement plan**

LSNV has a 403(b) retirement plan that provides for voluntary tax deferred salary reductions as well as discretionary employer non-elective contributions and discretionary employer matching contributions for all qualified employees. During the current year, LSNV's non-elective contributions totaled \$237,119.

**Notes to Financial Statements  
June 30, 2024**

**Note 8 - Property and equipment**

Property and equipment as of June 30, 2024 and 2023 included the following major classifications:

	2024		2023	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Furniture and equipment	\$ 172 257	\$ 172 257	\$ 187 355	\$ 187 355
Computer software	261 818	96 328	94 478	92 915
Donated equipment	41 391	41 391	41 391	41 391
Leasehold improvements	74 520	72 790	74 520	70 363
Library	92 926	92 926	92 926	92 926
	<u>\$ 642 912</u>	<u>\$ 475 692</u>	<u>\$ 490 670</u>	<u>\$ 484 950</u>

LSC has a reversionary interest in \$267,825 of the assets listed above with a current book value of \$0 after \$267,825 of accumulated depreciation has been recorded. Depreciation expense for the current year was \$12,701.

**Note 9 - Net assets**

LSNV may carry 20% of funding from Legal Services Corporation of Virginia and 10% of funding from Legal Services Corporation as a net asset balance. Balances greater than those amounts would have to be approved by the grantors. All net asset balances were below the maximum allowed for carryover.

**Note 10 - Subsequent events**

In preparing these financial statements, Legal Services of Northern Virginia, Inc. has evaluated events and transactions for potential recognition or disclosure through October 3, 2024, the date the financial statements were issued.

**Note 11 - Fair value measurements**

The Organization records fair value adjustments to certain assets and liabilities and determines 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 under this standard based on these three types of inputs 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.

All investments and liabilities were measured at fair value by level 1 valuation, because they generally provide the most reliable evidence of fair value.

# LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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## Notes to Financial Statements June 30, 2024

### Note 12 - 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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2 765 411	\$ 2 762 017
Investments	899 057	872 100
Accounts receivable	<u>454 993</u>	<u>447 192</u>
Less: donor restrictions	<u>427 522</u>	<u>443 419</u>
Financial assets available	\$ <u><u>3 691 939</u></u>	\$ <u><u>3 637 890</u></u>

### Note 13 - Comparative totals

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 Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

### Note 14 - LSC deferred income

Totals for Legal Services Corporation that were deferred are as follows:

	<u>2024</u>	<u>2023</u>
LSC November/July advance	\$ 200 178	\$ 379 458
LSC TIG	55 950	32 021
LSC net asset balance	<u>171 394</u>	<u>31 940</u>
	\$ <u><u>427 522</u></u>	\$ <u><u>443 419</u></u>

**Notes to Financial Statements  
June 30, 2024**

**Note 15 - Leases**

In February 2016, the FASB issued ASU 2016-02 – Leases (Topic 842). The update requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standards require entities to classify leases as either a finance or operating lease based upon the contractual terms. Lessees record a right of use asset with a corresponding liability based on the net present value of rental payments. The Organization adopted the standard during 2021, under the modified retrospective approach. For prior periods, The Organization elected a package of practical expedients that together allows an entity to not reassess whether a contract is or contains a lease, lease classification and direct costs. The adoption of Topic 842 resulted in the recording of an operating right of use asset and corresponding liability on the Organization’s Statement of Financial Condition.

The Organization occupies office space under a non-cancelable operating lease arrangement. These lease arrangements include escalation clauses which are recognized on a straight-line basis over the life of the lease. The Organization has elected to use its incremental borrowing rate as quoted by its primary banking relationship to measure the right-of-use asset and lease liability. Leases with an initial term of 12 months or less are not recorded on the balance sheet; The Organization recognizes lease expense for these leases on a straight-line basis over the lease term. Future minimum lease payments are as follows:

2025	\$	184 495
2026		<u>98 959</u>
		283 454
Discount		<u>6 090</u>
Total	\$	<u><u>277 364</u></u>

The remaining lease term and discount rate for operating leases was 3 years and 3.16%, respectively. The lease contains a clause that provides for the Organization to pay a percentage of the lessors’ operating expenses.

Rent expense aggregated \$252,496 in the current year.

## **Accompanying Information**

## LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

### Schedule of Support, Revenue and Expenses

For the Year Ended June 30, 2024

(with summarized financial information for the year ended June 30, 2023)

	2024						Total 2023
	Without donor restrictions			Total Unrestricted	With Donor Restrictions	Total 2024	
	General Grants	Other Grants	Property And Equipment				
<b>Support and revenue</b>							
Federal Grants							
Legal Services Corporation	\$ -	\$ -	\$ -	\$ -	\$ 2,320,541	\$ 2,320,541	\$ 2,423,720
Title III	130,130	-	-	130,130	-	130,130	129,181
Ryan White	144,809	-	-	144,809	-	144,809	171,575
DOJ Domestic Violence	75,000	-	-	75,000	-	75,000	75,000
DOJ Human Trafficking	63,568	-	-	63,568	-	63,568	63,389
Low Income Tax Clinic	150,000	-	-	150,000	-	150,000	100,000
LSCV - ARPA	45,263	-	-	45,263	-	45,263	-
Equal Justice Works	97,083	-	-	97,083	-	97,083	90,600
Fairfax Housing Grant	141,582	-	-	141,582	-	141,582	33,957
VA Homeless Veterans Grant	112,500	-	-	112,500	-	112,500	-
VOCA Grant	249,879	-	-	249,879	-	249,879	274,642
State and local government grants	-	3,530,830	-	3,530,830	-	3,530,830	3,215,547
Other grants							
Potomac Health Foundation	-	171,985	-	171,985	-	171,985	171,443
Fairfax Mental Health Grant	-	51,272	-	51,272	-	51,272	50,770
Fairfax DVLS Grant	-	100,000	-	100,000	-	100,000	100,000
Amazon Housing Clinic	-	-	-	-	-	-	187,500
GMU Law Clinic	-	114,975	-	114,975	-	114,975	109,500
Local Cares Grants	-	88,357	-	88,357	-	88,357	370,014
Other grants	-	57,008	-	57,008	-	57,008	72,163
Other revenue							
Contributions	-	444,689	-	444,689	-	444,689	326,397
Interest earned	5,598	41,278	-	46,876	-	46,876	15,186
Miscellaneous	1,750	1,755	-	3,505	-	3,505	2,052
Other support							
Donated facilities	-	146,901	-	146,901	-	146,901	146,901
Donated services	-	492,750	-	492,750	-	492,750	660,000
Net assets released from restrictions							
Expiration of time or purpose restrictions	2,320,541	-	-	2,320,541	(2,320,541)	-	-
<b>Total support and revenue</b>	<b>3,537,703</b>	<b>5,241,800</b>	<b>-</b>	<b>8,779,503</b>	<b>-</b>	<b>8,779,503</b>	<b>8,789,537</b>
<b>Expenses</b>							
Personnel	3,258,577	3,729,200	-	6,987,777	-	6,987,777	6,768,743
Non-personnel	279,126	1,350,183	12,701	1,642,010	-	1,642,010	1,766,237
<b>Total expenses</b>	<b>3,537,703</b>	<b>5,079,383</b>	<b>12,701</b>	<b>8,629,787</b>	<b>-</b>	<b>8,629,787</b>	<b>8,534,980</b>
<b>Change in net assets</b>	<b>-</b>	<b>162,417</b>	<b>(12,701)</b>	<b>149,716</b>	<b>-</b>	<b>149,716</b>	<b>254,557</b>
<b>Net assets (deficit) at beginning of year</b>	<b>-</b>	<b>3,224,169</b>	<b>5,720</b>	<b>3,229,889</b>	<b>-</b>	<b>3,229,889</b>	<b>2,975,332</b>
Transfer	-	-	-	-	-	-	-
Acquisition of property and equipment	-	(174,201)	174,201	-	-	-	-
<b>Net assets (deficit) at end of year</b>	<b>\$ -</b>	<b>\$ 3,212,385</b>	<b>\$ 167,220</b>	<b>\$ 3,379,605</b>	<b>\$ -</b>	<b>\$ 3,379,605</b>	<b>\$ 3,229,889</b>



# LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

## Schedule of Grants and Contracts For the Year Ended June 30, 2024

<u>Grants and contracts</u>	<u>Date</u>	<u>Received in Fiscal Year</u>	<u>Earned in Fiscal Year</u>	<u>Accounts to be Received and (Unearned Revenue)</u>
Legal Services Corporation of Virginia - State	7/1/23 to 6/30/24	\$ 2,075,909	\$ 2,075,909	\$ -
Legal Services Corporation of Virginia - Bank of America	7/1/23 to 6/30/24	84,000	84,000	-
Legal Services Corporation of Virginia - IKEA/Cares	7/1/23 to 6/30/24	101,675	101,675	-
Legal Services Corporation	7/1/23 to 6/30/24	2,634,257	2,262,685	(371,572)
Legal Services Corporation - TIG Grant	7/1/23 to 6/30/24	62,021	6,071	(55,950)
Legal Services Corporation - PBIF	7/1/23 to 6/30/24	21,535	51,785	30,250
Arlington County	7/1/23 to 6/30/24	374,033	408,043	34,010
City of Alexandria	7/1/23 to 6/30/24	88,000	88,000	-
Fairfax County	7/1/23 to 6/30/24	395,492	395,492	-
City of Fairfax	7/1/23 to 6/30/24	-	28,750	28,750
City of Falls Church	7/1/23 to 6/30/24	11,500	11,500	-
Loudoun County	7/1/23 to 6/30/24	76,349	76,349	-
Prince William County	7/1/23 to 6/30/24	231,478	231,478	-
City of Manassas	7/1/23 to 6/30/24	-	12,400	12,400
Town of Leesburg		38,394	-	(38,394)
Arlington Title III	7/1/23 to 6/30/24	40,274	43,935	3,661
Alexandria Title III	7/1/23 to 6/30/24	12,000	16,000	4,000
Fairfax Title III	7/1/23 to 6/30/24	35,406	48,008	12,602
Prince William Title III	7/1/23 to 6/30/24	18,750	15,000	(3,750)
Loudoun County Title III	7/1/23 to 6/30/24	1,712	6,587	4,875
Fairfax MH/MR	7/1/23 to 6/30/24	38,454	51,272	12,818
Ryan White	7/1/23 to 6/30/24	111,631	144,809	33,178
DVLS (Fairfax County)	7/1/23 to 6/30/24	76,283	100,000	23,717
Low Income Tax Clinic Grant	7/1/23 to 6/30/24	230,000	150,000	(80,000)
Victim Witness Assistance Grant (VOCA Grant)	7/1/23 to 6/30/24	189,922	249,879	59,957
Arlington Bar Foundation	7/1/23 to 6/30/24	4,000	4,000	-
Arlington Community Foundation	7/1/23 to 6/30/24	3,000	3,000	-
Department of Justice LAV	7/1/23 to 6/30/24	56,250	75,000	18,750
Department of Justice Human Trafficking	7/1/23 to 6/30/24	47,738	63,568	15,830
Contributions	7/1/23 to 6/30/24	438,508	444,689	6,181
Interest Earned	7/1/23 to 6/30/24	46,876	46,876	-
Cafritz Foundation	7/1/23 to 6/30/24	17,500	17,500	-
Loudon Cares	7/1/23 to 6/30/24	(3,062)	-	3,062
Arlington Safe Haven	7/1/23 to 6/30/24	13,014	26,043	13,029
Philip L. Graham Fund	7/1/23 to 6/30/24	13,337	6,465	(6,872)
Loudon Hypothermia Grant	7/1/23 to 6/30/24	8,400	8,400	-
Loudon Eviction Assistance Grant	7/1/23 to 6/30/24	8,833	8,833	-
Equal Justice Works Housing Justice	7/1/23 to 6/30/24	122,004	97,083	(24,921)
Potomac Health Foundation	7/1/23 to 6/30/24	88,317	171,985	83,668
LSCV - ARPA	7/1/23 to 6/30/24	45,263	45,263	-
Navigator Fredericksburg	7/1/23 to 6/30/24	12,077	-	(12,077)
Dunn Chadwick Fellowship	7/1/23 to 6/30/24	79,517	-	(79,517)
Attorney Fees	7/1/23 to 6/30/24	3,505	3,505	-
GMU Law Clinic	7/1/23 to 6/30/24	114,975	114,975	-
Fairfax Housing Grant	7/1/23 to 6/30/24	102,499	141,582	39,083
Alexandria VERP	7/1/23 to 6/30/24	24,183	-	(24,183)
Alexandria Eviction Attorney ARP	7/1/23 to 6/30/24	88,357	88,357	-
Donated Services & Facilities	7/1/23 to 6/30/24	639,651	639,651	-
<b>Total Revenue</b>		<b>\$ 8,923,817</b>	<b>\$ 8,666,402</b>	<b>\$ (257,415)</b>

# LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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## Schedule of Support, Revenue, Expenses and Changes in Net Assets - Legal Services Corporation For the Year Ended June 30, 2024

	General Grant	PAI	PBIF Grant	TIG Grant #20059	Total
<b>Support and revenue</b>					
Grant income	\$ 1,979,849	\$ 282,836	\$ -	\$ -	\$ 2,262,685
PBIF grant	-	-	51,785	-	51,785
TIG grant	-	-	-	6,071	6,071
Other income - attorney fees	1,750	-	-	-	1,750
Interest income	5,598	-	-	-	5,598
	<u>1,987,197</u>	<u>282,836</u>	<u>51,785</u>	<u>6,071</u>	<u>2,327,889</u>
<b>Expenses</b>					
<b>Personnel</b>					
Salaries	1,420,605	160,108	36,500	2,889	1,620,102
Health insurance	239,878	27,036	-	-	266,914
Disability insurance	3,791	427	-	-	4,218
Life insurance	2,993	337	-	-	3,330
FICA	102,033	11,499	-	-	113,532
Pension	61,579	6,940	-	-	68,519
Flexible benefits	1,712	193	-	-	1,905
<b>Total personnel</b>	<u>1,832,591</u>	<u>206,540</u>	<u>36,500</u>	<u>2,889</u>	<u>2,078,520</u>
<b>Non-personnel</b>					
Office space and maintenance	56,791	5,517	-	-	62,308
Equipment supply and maintenance	15,606	1,489	-	-	17,095
Office supplies and telephone	21,704	2,547	-	-	24,251
Insurance	7,860	780	-	-	8,640
Library	7,456	734	-	-	8,190
Travel and training	10,780	1,052	-	3,182	15,014
Contract services	30,918	9,084	15,285	-	55,287
Subgrants	-	56,021	-	-	56,021
Audit and other	2,333	230	-	-	2,563
<b>Total non-personnel</b>	<u>153,448</u>	<u>77,454</u>	<u>15,285</u>	<u>3,182</u>	<u>249,369</u>
<b>Total expenses</b>	<u>1,986,039</u>	<u>283,994</u>	<u>51,785</u>	<u>6,071</u>	<u>2,327,889</u>
<b>Changes in net assets</b>	1,158	(1,158)	-	-	-
<b>Net assets, beginning of year</b>	-	-	-	-	-
<b>Transfer to unearned Transfers</b>	-	-	-	-	-
	<u>(1,158)</u>	<u>1,158</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Schedule of Support, Revenue, Expenses and  
Changes in Net Assets - Legal Services Corporation of Virginia  
For the Year Ended June 30, 2024**

	<u>State Filing Fees</u>	<u>Bank of America</u>	<u>IKEA / Cares</u>	<u>ARPA</u>	<u>Total LSCV</u>
<b>Support and revenue</b>					
Grant from Legal Services Corporation of Virginia (LSCV)	\$ 2,075,909	\$ 84,000	\$ 101,675	\$ 45,263	\$ 2,306,847
<b>Expenses</b>					
<b>Personnel</b>					
Salaries	1,359,795	58,065	77,288	32,137	1,527,285
Health insurance	292,378	9,833	5,347	5,650	313,208
Disability insurance	4,010	155	211	83	4,459
Life insurance	3,155	122	168	65	3,510
FICA	110,856	4,156	5,958	2,193	123,163
Pension	72,744	2,515	3,519	1,375	80,153
Flexible benefits	2,860	69	11	27	2,967
<b>Total personnel</b>	<u>1,845,798</u>	<u>74,915</u>	<u>92,502</u>	<u>41,530</u>	<u>2,054,745</u>
<b>Non-personnel</b>					
Office space and maintenance	94,386	2,531	2,941	1,430	101,288
Equipment supply and maintenance	32,871	872	1,050	388	35,181
Office supplies and telephone	48,955	1,606	1,802	665	53,028
Insurance	15,504	468	444	164	16,580
Library	15,173	459	554	205	16,391
Litigation costs	13,411	291	-	-	13,702
Dues and licenses	18,801	353	243	90	19,487
Travel and training	46,498	726	345	128	47,697
Contract services	81,103	1,495	1,794	663	85,055
Audit and other	19,079	284	-	-	19,363
<b>Total non-personnel</b>	<u>385,781</u>	<u>9,085</u>	<u>9,173</u>	<u>3,733</u>	<u>407,772</u>
<b>Total expenses</b>	<u>2,231,579</u>	<u>84,000</u>	<u>101,675</u>	<u>45,263</u>	<u>2,462,517</u>
<b>Changes in net assets</b>	(155,670)	-	-	-	(155,670)
<b>Net assets, beginning of year</b>	<u>294,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,538</u>
<b>Net assets, end of year</b>	<u>\$ 138,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,868</u>

# LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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## Schedule of Support, Revenue, Expenses and Changes in Net Assets - Department of Justice For the Year Ended June 30, 2024

	<u>General Grant</u>	<u>Human Trafficking</u>	<u>Total</u>
<b>Support and revenue</b>			
Grant income	\$ 75,000	\$ 63,568	\$ 138,568
<b>Total support and revenue</b>	<u>75,000</u>	<u>63,568</u>	<u>138,568</u>
<b>Expenses</b>			
Personnel			
Salaries	60,937	48,000	108,937
Health insurance	6,910	5,879	12,789
Disability insurance	172	135	307
Life insurance	138	109	247
FICA	4,406	3,672	8,078
Pension	2,437	1,920	4,357
<b>Total personnel</b>	<u>75,000</u>	<u>59,715</u>	<u>134,715</u>
Non-personnel			
Office space and maintenance	-	2,173	2,173
Equipment supply and maintenance	-	290	290
Office supplies and telephone	-	959	959
Insurance	-	30	30
Library	-	266	266
Litigation	-	26	26
Contract services	-	109	109
<b>Total non-personnel</b>	<u>-</u>	<u>3,853</u>	<u>3,853</u>
<b>Total expenses</b>	<u>75,000</u>	<u>63,568</u>	<u>138,568</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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## Schedule of Support, Revenue, Expenses and Changes in Net Assets - Fairfax Housing Grant For the Year Ended June 30, 2024

	<u>Housing Grant</u>
<b>Support and revenue</b>	
Grant from Fairfax Housing	\$ <u>141,582</u>
<b>Expenses</b>	
Personnel	
Salaries	108,316
Health insurance	17,244
Disability insurance	285
Life insurance	226
FICA	7,668
Pension	4,537
Flexible benefits	<u>128</u>
<b>Total personnel</b>	<u>138,404</u>
<b>Non-personnel</b>	
Equipment supply and maintenance	228
Office supplies and telephone	2,577
Contract services	<u>373</u>
<b>Total non-personnel</b>	<u>3,178</u>
<b>Total expenses</b>	<u>141,582</u>
<b>Changes in net assets</b>	-
<b>Net assets, beginning of year</b>	<u>-</u>
<b>Net assets, end of year</b>	\$ <u><u>-</u></u>

# LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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## Schedule of Support, Revenue, Expenses and Changes in Net Assets - NVRC/Ryan White Grant For the Year Ended June 30, 2024

	<u>General Grant</u>
<b>Support and revenue</b>	
Grant from NVRC / Ryan White	\$ 144,809
<b>Expenses</b>	
Personnel	
Salaries	107,192
Health insurance	18,133
Disability insurance	297
Life insurance	236
FICA	7,969
Pension	4,423
Flexible benefits	448
<b>Total personnel</b>	<u>138,698</u>
<b>Non-personnel</b>	
Equipment supply and maintenance	2,090
Office supplies and telephone	951
Litigation	55
Travel and training	322
Contract services	2,693
<b>Total non-personnel</b>	<u>6,111</u>
<b>Total expenses</b>	<u>144,809</u>
<b>Changes in net assets</b>	-
<b>Net assets, beginning of year</b>	<u>-</u>
<b>Net assets, end of year</b>	<u><u>\$ -</u></u>

# LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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## Schedule of Support, Revenue, Expenses and Changes in Net Assets - Low Income Taxpayer Clinics For the Year Ended June 30, 2024

	<u>General Grant</u>
<b>Support and revenue</b>	
Grant from U.S. Department of Treasury	\$ <u>150,000</u>
<b>Expenses</b>	
Personnel	
Salaries	128,821
Health insurance	1,747
Disability insurance	364
Life insurance	257
FICA	9,855
Pension	6,441
Flexible benefits	<u>-</u>
<b>Total personnel</b>	<u>147,485</u>
<b>Non-personnel</b>	
Office supplies and telephone	86
Litigation costs	323
Dues and licenses	305
Travel and training	<u>1,801</u>
<b>Total non-personnel</b>	<u>2,515</u>
<b>Total expenses</b>	<u>150,000</u>
<b>Changes in net assets</b>	-
<b>Net assets, beginning of year</b>	<u>-</u>
<b>Net assets, end of year</b>	<u><u>\$ -</u></u>

# LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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## Schedule of Support, Revenue, Expenses and Changes in Net Assets - Victim Witness Assistance Program (VOCA) For the Year Ended June 30, 2024

	General Grant
<b>Support and revenue</b>	
Grant from Virginia Department of Criminal Justice Services	\$ 249,879
<b>Expenses</b>	
Personnel	
Salaries	200,091
Health insurance	25,228
Disability insurance	559
Life insurance	464
FICA	15,307
Pension	6,538
<b>Total personnel</b>	248,187
<b>Non-personnel</b>	
Equipment supply and maintenance	245
Office supplies and telephone	583
Litigation	256
Contract services	608
<b>Total non-personnel</b>	1,692
<b>Total expenses</b>	249,879
<b>Changes in net assets</b>	-
<b>Net assets, beginning of year</b>	-
<b>Net assets, end of year</b>	\$ -



# LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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## Schedule of Support, Revenue, Expenses and Changes in Net Assets - VA Homeless Veterans For the Year Ended June 30, 2024

	<u>General Grant</u>
<b>Support and revenue</b>	
Grant from U.S. Department of Veterans Affairs	\$ <u>112,500</u>
<b>Expenses</b>	
Personnel	
Salaries	83,213
Health insurance	14,343
Disability insurance	237
Life insurance	187
FICA	6,338
Pension	3,757
Flexible benefits	<u>102</u>
<b>Total personnel</b>	<u>108,177</u>
<b>Non-personnel</b>	
Equipment supply and maintenance	-
Office supplies and telephone	2,276
Travel and training	793
Contract services	<u>1,254</u>
<b>Total non-personnel</b>	<u>4,323</u>
<b>Total expenses</b>	<u>112,500</u>
<b>Changes in net assets</b>	-
<b>Net assets, beginning of year</b>	<u>-</u>
<b>Net assets, end of year</b>	\$ <u><u>-</u></u>



**LEGAL SERVICES OF NORTHERN VIRGINIA , INC.**

**Schedule of Expenses by Service Area  
For the Year Ended June 30, 2024**

<b>Expenses</b>	<b>Arlington County</b>	<b>City of Alexandria</b>	<b>Falls Church</b>	<b>Fairfax County</b>	<b>Fairfax City</b>	<b>Loudoun County</b>	<b>City of Manassas</b>	<b>City of Manassas Park</b>	<b>Prince William County</b>	<b>Other</b>	<b>Total</b>
<b>Personnel</b>											
Salaries	\$ 513,362	\$ 514,692	\$ 18,619	\$ 2,546,859	\$ 150,285	\$ 373,717	\$ 49,208	\$ 27,929	\$ 654,337	\$ 542,619	\$ 5,391,627
Health insurance	85,768	85,990	3,111	425,505	25,108	62,437	8,221	4,666	109,320	90,657	900,783
Disability insurance	1,419	1,422	51	7,038	415	1,033	136	77	1,808	1,500	14,899
Life insurance	1,123	1,126	41	5,571	329	817	108	61	1,431	1,187	11,794
FICA	38,163	38,262	1,384	189,332	11,172	27,782	3,658	2,076	48,643	40,338	400,810
Pension	22,577	22,636	819	112,009	6,609	16,436	2,164	1,228	28,777	23,864	237,119
Flexible benefits	649	649	24	3,217	189	472	62	35	828	684	6,809
<b>Total personnel</b>	<b>663,061</b>	<b>664,777</b>	<b>24,049</b>	<b>3,289,531</b>	<b>194,107</b>	<b>482,694</b>	<b>63,557</b>	<b>36,072</b>	<b>845,144</b>	<b>700,849</b>	<b>6,963,841</b>
<b>Non-personnel</b>											
Office space and maintenance	26,944	27,013	977	133,671	7,888	19,614	2,583	1,466	34,343	28,479	282,978
Equipment supply and maintenance	7,717	7,737	280	38,286	2,259	5,618	740	420	9,837	8,157	81,051
Office supplies and telephone	11,869	11,900	430	58,884	3,475	8,640	1,138	646	15,128	12,546	124,656
Insurance	3,090	3,098	112	15,329	905	2,249	296	168	3,938	3,267	32,452
Library	2,848	2,856	103	14,131	834	2,074	273	155	3,631	3,011	29,916
Litigation costs	1,634	1,639	59	8,109	478	1,190	157	89	2,083	1,728	17,166
Dues and licenses	2,387	2,393	87	11,842	699	1,738	229	130	3,042	2,522	25,069
Travel and training	7,596	7,616	276	37,685	2,224	5,530	728	413	9,682	8,029	79,779
Contract services	21,252	21,307	771	105,436	6,222	15,471	2,037	1,156	27,089	61,119	261,860
Audit and other	8,892	8,915	322	44,113	2,603	6,473	852	484	11,333	-29,257	54,730
<b>Total non-personnel</b>	<b>94,229</b>	<b>94,474</b>	<b>3,417</b>	<b>467,486</b>	<b>27,587</b>	<b>68,597</b>	<b>9,033</b>	<b>5,127</b>	<b>120,106</b>	<b>99,601</b>	<b>989,657</b>
<b>Non-cash direct expenses</b>											
Accrued vacation	2,279	2,285	83	11,307	667	1,659	218	124	2,905	2,410	23,937
Depreciation	1,209	1,212	44	6,000	354	880	116	66	1,541	1,279	12,701
Donated facilities	-	-	-	146,901	-	-	-	-	-	-	146,901
Donated services	44,000	4,000	1,750	384,500	12,750	2,500	500	500	21,750	20,500	492,750
<b>Total non-cash expenses</b>	<b>47,488</b>	<b>7,497</b>	<b>1,877</b>	<b>548,708</b>	<b>13,771</b>	<b>5,039</b>	<b>834</b>	<b>690</b>	<b>26,196</b>	<b>24,189</b>	<b>676,289</b>
<b>Total expenses</b>	<b>\$ 804,778</b>	<b>\$ 766,748</b>	<b>\$ 29,343</b>	<b>\$ 4,305,725</b>	<b>\$ 235,465</b>	<b>\$ 556,330</b>	<b>\$ 73,424</b>	<b>\$ 41,889</b>	<b>\$ 991,446</b>	<b>\$ 824,639</b>	<b>\$ 8,629,787</b>

# Legal Services of Northern Virginia, Inc.

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/ Program</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
Legal Services Corporation		
Basic field grant	09.447007	\$ 2 270 033
TIG Grant		6 071
PBIF		51 785
U.S. Department of Health and Human Services		
Pass-through from Department on Aging (Title III)	93.044	130 130
U.S. Department of Health and Human Services		
Ryan White Treatment Extension Act of 2009	93.917	144 809
U.S. Department of Justice		
Pass-through from Virginia Department of Criminal Justice Services		
Violence Against Women Stimulus	16.524	75 000
Human trafficking		63 568
U.S. Department of Treasury		
Low Income Taxpayer Clinics	21.008	150 000
Pass-through from Virginia Department of Housing and Community Development - Housing Grant	21.023	141 582
Pass-through from Legal Services of Virginia ARPA	21.027	45 263
U.S. Department of Justice		
Pass-through from Virginia Department of Criminal Justice Services		
Victim Witness Assistance Program (VOCA)	16.575	249 879
U.S. Department of Veterans Affairs		
Homeless Veterans Legal Services	64.056	112 500
Corporation for National & Community Service		
Equal Justice Works	94.006	<u>97 083</u>
Total Expenditures of Federal Awards		\$ <u>3 537 703</u>

The accompanying notes are an integral part of this schedule

**Legal Services of Northern Virginia, Inc.**  
**Notes to the Schedule of Expenditures of Federal Awards**

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**June 30, 2024**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Legal Services of Northern Virginia, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this schedule 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), and Legal Services Corporation Audit Guide and Compliance Supplements. Because the Schedule presents only a selected portion of the operations of Legal Services of Northern Virginia, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Legal Services of Northern Virginia, Inc.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Legal Services of Northern Virginia, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3 - Sub-recipient**

Funding was provided from Legal Services Corporation grants to a sub-recipient (Legal Aid Works) in the amount of \$56,021 for the current year.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Legal Services of Northern Virginia, Inc.  
Fairfax, Virginia

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 Services of Northern Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 October 4, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Legal Services of Northern Virginia Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Legal Services of Northern Virginia Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Legal Services of Northern Virginia Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.

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

Frank Barcalow CPA, P.L.L.C.  
Richmond, Virginia  
October 4, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Legal Services of Northern Virginia, Inc.  
Fairfax, Virginia

**Report on Compliance for Each Major Federal Program  
Opinion on Each Major Federal Program**

We have audited Legal Services of Northern Virginia, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Circular Compliance Supplement and Legal Services Corporation Audit Guide and Compliance Supplements* that could have a direct and material effect on each of Legal Services of Northern Virginia, Inc.'s major federal programs for the year ended June 30, 2024. Legal Services of Northern Virginia, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Legal Services of Northern Virginia, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Legal Services of Northern Virginia, Inc. 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 program. Our audit does not provide a legal determination of Legal Services of Northern Virginia, Inc.'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 Legal Services of Northern Virginia, Inc.'s federal 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 Legal Services of Northern Virginia, Inc.'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 Legal Services of Northern Virginia, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Legal Services of Northern Virginia, Inc.'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 Legal Services of Northern Virginia, Inc.'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, but not for the purpose of expressing an opinion on the effectiveness of Legal Services of Northern Virginia, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Frank Barcalow CPA, P.L.L.C.  
Richmond, Virginia  
October 4, 2024



**Schedule of Findings and Questioned Costs**

**For the Year Ended June 30, 2024**

**A - Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_yes  X no

Significant deficiency(ies) identified? \_\_\_\_\_yes  X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes  X no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_yes  X no

Significant deficiency(ies) identified? \_\_\_\_\_yes  X 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 2 CFR-200.516(a) \_\_\_\_\_yes  X no

Identification of major programs:

<u>Name of federal program</u>	<u>CDFA Number</u>
Legal Services Corporation	
Basic Field Grant recipient # 447007	9.447007

Dollar threshold used to distinguish between Type A and Type B Programs 750,000

Auditee qualified as low risk? \_\_\_\_\_yes  X no

**B. Findings - financial statement audit**

None

**C. Findings and questioned costs - major federal awards programs audit**

None