

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

**Financial Statements
and
Accompanying Information
for the year ended
June 30, 2020
(with comparative financial information
as of June 30, 2019)**

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

Report on the Financial Statements

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, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Services of Northern Virginia Inc. as of June 30, 2020, 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 Services of Northern Virginia Inc.'s June 30, 2019 financial statements, and our report dated September 20, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other 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, Healthcare Navigator, NVRC/Ryan White Grant, Low Income Taxpayer Clinics, Victim Witness Assistance Program (VOCA), 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 6, 2020 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 6, 2020

LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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Statement of Financial Position

June 30, 2020

(with comparative financial information as of June 30, 2019)

Assets

	2020	2019
Current assets		
Cash and cash equivalents	\$ 2,454,025	\$ 1,156,755
Investments	358,413	349,880
Accounts receivable	370,573	305,596
Client escrow funds	5,103	9,840
Prepaid expenses	80,295	82,999
Total current assets	3,268,409	1,905,070
Property and equipment		
Furniture and equipment	323,224	323,224
Leasehold improvements	74,520	74,520
Law library	92,926	92,926
	<u>490,670</u>	<u>490,670</u>
Less: accumulated depreciation	420,087	392,681
Total property and equipment	70,583	97,989
Other assets		
Security deposits	33,718	33,718
Total assets	\$ 3,372,710	\$ 2,036,777

Liabilities and net assets

Current liabilities

Accounts payable	\$ 34,507	\$ 38,390
Accrued vacation	251,663	200,151
Unearned support	542,183	293,621
Note payable - payroll protection program	1,076,500	-
Client escrow deposits	5,103	9,840
Total current liabilities	1,909,956	542,002

Commitments

Net assets

Without donor restrictions	1,353,440	1,463,989
With donor restrictions	109,314	30,786
Total net assets	1,462,754	1,494,775
Total liabilities and net assets	\$ 3,372,710	\$ 2,036,777

See notes to financial statements

LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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Statement of Activities

For the Year Ended June 30, 2020

(with summarized financial information for the year ended June 30, 2019)

	2020			2019
	Without Donor	With Donor		
	Restrictions	Restrictions	Total	Total
Support and revenue				
Federal grants	\$ 1,247,444	\$ 1,836,840	\$ 3,084,284	\$ 2,896,149
State and local grants	2,697,361	-	2,697,361	2,534,085
Other support	381,582	-	381,582	275,173
Interest income	18,240	-	18,240	10,964
Contributions	283,513	-	283,513	229,517
In-kind support	951,651	-	951,651	670,297
Other income	3,362	-	3,362	39,584
	<u>5,583,153</u>	<u>1,836,840</u>	<u>7,419,993</u>	<u>6,655,769</u>
Net assets released from restrictions				
Expiration of time or purpose restrictions	<u>1,758,312</u>	<u>(1,758,312)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>7,341,465</u>	<u>78,528</u>	<u>7,419,993</u>	<u>6,655,769</u>
Expenses				
Program services				
Legal assistance	6,528,134	-	6,528,134	5,750,056
Supporting services				
Management and general	763,157	-	763,157	648,005
Fund raising	<u>160,723</u>	<u>-</u>	<u>160,723</u>	<u>172,270</u>
Total expenses	<u>7,452,014</u>	<u>-</u>	<u>7,452,014</u>	<u>6,570,331</u>
Change in net assets	(110,549)	78,528	(32,021)	85,438
Net assets at beginning of year	<u>1,463,989</u>	<u>30,786</u>	<u>1,494,775</u>	<u>1,409,337</u>
Net assets at end of year	<u>\$ 1,353,440</u>	<u>\$ 109,314</u>	<u>\$ 1,462,754</u>	<u>\$ 1,494,775</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, 2020

(with summarized financial information for the year ended June 30, 2019)

	Program Services (1)	Management and General	Fundraising Expense	2020 Total Expenses	2019 Total Expenses
Personnel					
Salaries	\$ 3,735,804	\$ 470,202	\$ 68,559	\$ 4,274,565	3,887,545
Health insurance	631,998	78,112	-	710,110	599,319
Disability insurance	11,040	1,365	-	12,405	10,455
Life insurance	9,925	1,125	-	11,050	10,341
Payroll taxes, FICA	276,076	34,770	5,245	316,091	290,339
Pension plan expense	176,047	21,759	-	197,806	172,750
Flexible benefits plan	6,374	788	-	7,162	6,554
	<u>4,847,264</u>	<u>608,121</u>	<u>73,804</u>	<u>5,529,189</u>	<u>4,977,303</u>
Non-personnel					
Office space and maintenance	210,241	26,087	826	237,154	236,688
Equipment supply and maintenance	80,759	10,013	251	91,023	49,880
Office supplies and telephone	112,569	14,001	958	127,528	119,973
Insurance	28,790	3,559	-	32,349	31,286
Library	30,136	-	-	30,136	33,136
Litigation costs	28,051	-	-	28,051	26,599
Dues and licenses	26,160	3,233	-	29,393	22,365
Travel and training	48,945	6,278	1,847	57,070	64,367
Contract services	66,460	73,209	83,037	222,706	186,406
Audit and other	26,838	10,008	-	36,846	96,084
	<u>658,949</u>	<u>146,388</u>	<u>86,919</u>	<u>892,256</u>	<u>866,784</u>
Non-cash expenses					
Accrued vacation	45,846	5,666	-	51,512	27,409
Depreciation	24,424	2,982	-	27,406	28,538
Donated facilities	146,901	-	-	146,901	127,547
Donated services	804,750	-	-	804,750	542,750
	<u>1,021,921</u>	<u>8,648</u>	<u>-</u>	<u>1,030,569</u>	<u>726,244</u>
Total expenses	\$ <u>6,528,134</u>	\$ <u>763,157</u>	\$ <u>160,723</u>	\$ <u>7,452,014</u>	<u>6,570,331</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, 2020

(with comparative financial information as of June 30, 2019)

Cash flows from operating activities

	2020	2019
Change in net assets	\$ (32,021)	\$ 85,438
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	27,406	28,538
(Increase) decrease in accounts receivable	(64,976)	90,349
(Increase) decrease in prepaid expenses	2,703	12,206
(Increase) decrease in security deposits	-	(1,200)
Increase (decrease) in accounts payable	(3,883)	2,766
Increase (decrease) in accrued expenses	51,512	27,409
Increase (decrease) in unearned support	248,562	(33,679)
Net cash (used in) provided by operating activities	229,303	211,827

Cash flows used in investing activities

Acquisition of property and equipment	-	(28,601)
Purchase of investments	(8,533)	(349,880)
Sale of investments	-	-
Net cash (used in) provided by investing activities	(8,533)	(378,481)

Cash flows used in financing activities

Note payable PPP proceeds	1,076,500	-
Net cash (used in) provided by financing activities	1,076,500	-
Net increase (decrease) in cash and cash equivalents	1,297,270	(166,654)

Cash and cash equivalents, beginning of year

1,156,755 1,323,409

Cash and cash equivalents, end of year

\$ 2,454,025 \$ 1,156,755

Supplemental disclosure of cash flows information

Cash paid during the year for interest	\$ -	\$ -
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See notes to financial statements

Notes to Financial Statements June 30, 2020

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.

LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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Notes to Financial Statements June 30, 2020

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.

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

Legal Services Corporation	28%
Legal Services Corporation of Virginia	22%

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, 2020**Note 2 - In-kind support**

Donated services and facilities are summarized as follows:

	<u>2020</u>
Pro Bono Program	\$ 804 750
Facilities	<u>146 901</u>
	\$ <u>951 651</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>2020</u>	<u>2019</u>
Miscellaneous grant funding	\$ <u>370 573</u>	\$ <u>305 596</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 2020 and for 2019. 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 - Commitments

LSNV is obligated under certain noncancellable operating leases for facilities. The following is a schedule by years of the approximate future minimum rental payments required under operating leases that have remaining noncancellable lease terms of one year or more as of June 30, 2020 :

<u>Year</u>	<u>Amount</u>
2021	\$ 173 939
2022	164 005
2023	<u>33 064</u>
	\$ <u>371 008</u>

Rent expense aggregated \$219,128 in the current year.

Notes to Financial Statements

June 30, 2020

Note 6 - Property and equipment

Property and equipment as of June 30, 2020 and 2019 included the following major classifications:

	2020		2019	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Furniture and equipment	\$ 187 355	\$ 180 327	\$ 187 355	\$ 176 857
Computer software	94 478	48 146	94 478	28 938
Donated equipment	41 391	41 391	41 391	41 391
Leasehold improvements	74 520	57 297	74 520	52 569
Library	92 926	92 926	92 926	92 926
	<u>\$ 490 670</u>	<u>\$ 420 087</u>	<u>\$ 490 670</u>	<u>\$ 392 681</u>

Depreciation expense for the current year was \$27,406.

Note 7 - 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. The Legal Services Corporation of Virginia balance exceeded 20% net asset balance with the advance permission of Legal Services Corporation of Virginia. LSNV was below the maximum net asset balance allowed during the current year for Legal Services Corporation.

Note 8 - 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 \$197,806.

Note 9 - 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 \$1,662,384 times 12.5% produces the minimum requirement of \$207,798. LSNV expended \$272,251 for the year ended June 30, 2020. The amount expended was \$64,453 more than required.

Note 10 - Net assets with donor restrictions

Net assets with donor restrictions consist of \$58,326 from Legal Services Corporation for the year ended June 30, 2020. Net assets released from time restrictions for the year ended June 30, 2020 totaled \$1,809,300 from Legal Services Corporation.

Note 11 - 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, 2019, from which the summarized information was derived.

**Notes to Financial Statements
June 30, 2020****Note 12 - 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 6, 2020, the date the financial statements were issued.

In December 2019, a novel strain of corona-virus was reported to have surfaced in China. The spread of this virus began to cause some business disruption in March 2020. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Organization expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

Note 13 - 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.

Note 14 - Liquidity and Availability

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

Cash and cash equivalents	\$	2 454 025
Investments		358 413
Accounts receivable		<u>370 573</u>
Less: donor restrictions		<u>420 465</u>
Financial assets available	\$	<u><u>2 762 546</u></u>

Note 15 - 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.

**Notes to Financial Statements
June 30, 2020****Note 16 - Paycheck Protection Program Loan Payable**

On April 2020, Legal Services of Northern Virginia, Inc. received loan proceeds in the amount of \$1,076,500 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 twenty four 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 twenty four 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 Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Organization cannot guarantee that the loan will be eligible for forgiveness, in whole or in part.

Accompanying Information

LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

Schedule of Support, Revenue and Expenses

For the Year Ended June 30, 2020

(with summarized financial information for the year ended June 30, 2019)

	2020						
	Without donor restrictions				With Donor Restrictions	Total 2020	Total 2019
	General Grants	Other Grants	Property And Equipment	Total Unrestricted			
Support and revenue							
Federal Grants							
Legal Services Corporation	\$ -	\$ -	\$ -	\$ -	\$ 1,836,840	\$ 1,836,840	\$ 1,744,214
Title III	125,413	-	-	125,413	-	125,413	123,244
Ryan White	150,049	-	-	150,049	-	150,049	160,677
DOJ Domestic Violence	75,000	-	-	75,000	-	75,000	75,000
DOJ Human Trafficking	55,989	-	-	55,989	-	55,989	66,096
Low Income Tax Clinic	100,000	-	-	100,000	-	100,000	100,000
ACA Navigator grants	51,010	10,180	-	61,190	-	61,190	119,000
Equal Justice Works	52,824	-	-	52,824	-	52,824	50,307
OJJDP Juvenile Justice	36,314	-	-	36,314	-	36,314	146,611
VOCA Grant	590,665	-	-	590,665	-	590,665	311,000
State and local government grants	-	2,697,361	-	2,697,361	-	2,697,361	2,534,085
Other grants							
Dunn Chadwick/DV Fellowship	-	-	-	-	-	-	20,788
Potomac Health Foundation	-	131,205	-	131,205	-	131,205	-
Fairfax Mental Health Grant	-	50,257	-	50,257	-	50,257	50,267
Fairfax Safe Haven Grant	-	100,000	-	100,000	-	100,000	100,000
Arlington Safe Haven	-	25,000	-	25,000	-	25,000	17,868
Other grants	-	75,120	-	75,120	-	75,120	86,250
Other revenue							
Contributions	-	283,513	-	283,513	-	283,513	229,517
Interest earned	3,090	15,150	-	18,240	-	18,240	10,964
Miscellaneous	3,362	-	-	3,362	-	3,362	39,584
Other support							
Donated facilities	-	146,901	-	146,901	-	146,901	127,547
Donated services	-	804,750	-	804,750	-	804,750	542,750
Net assets released from restrictions							
Expiration of time or purpose restrictions	1,758,312	-	-	1,758,312	(1,758,312)	-	-
Total support and revenue	3,002,028	4,339,437	-	7,341,465	78,528	7,419,993	6,655,769
Expenses							
Personnel	2,700,507	2,880,194	-	5,580,701	-	5,580,701	5,004,712
Non-personnel	302,211	1,541,696	27,406	1,871,313	-	1,871,313	1,565,619
Total expenses	3,002,718	4,421,890	27,406	7,452,014	-	7,452,014	6,570,331
Change in net assets	(690)	(82,453)	(27,406)	(110,549)	78,528	(32,021)	85,438
Net assets (deficit) at beginning of year	690	1,365,310	97,989	1,463,989	30,786	1,494,775	1,409,337
Transfer	-	-	-	-	-	-	-
Acquisition of property and equipment	-	-	-	-	-	-	-
Net assets (deficit) at end of year	\$ -	\$ 1,282,857	\$ 70,583	\$ 1,353,440	\$ 109,314	\$ 1,462,754	\$ 1,494,775

LEGAL SERVICES OF NORTHERN VIRGINIA, INC.

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Schedule of Grants and Contracts For the Year Ended June 30, 2020

<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	7/1/19 to 6/30/20	\$ 1,348,707	\$ 1,348,707	\$ -
Legal Services Corporation of Virginia - Bank of America	7/1/19 to 6/30/20	90,000	90,000	-
Legal Services Corporation	7/1/19 to 6/30/20	1,804,982	1,662,384	(142,598)
Legal Services Corporation - TIG Grant	7/1/19 to 6/30/20	90,848	28,809	(62,039)
Legal Services Corporation - PBIF	7/1/19 to 6/30/20	124,622	131,112	6,490
Legal Services Corporation - COVID	7/1/19 to 6/30/20	172,039	14,536	(157,503)
Arlington County	7/1/19 to 6/30/20	386,520	386,520	-
City of Alexandria	7/1/19 to 6/30/20	88,000	88,000	-
Fairfax County	7/1/19 to 6/30/20	481,870	481,870	-
City of Fairfax	7/1/19 to 6/30/20	26,311	26,311	-
City of Falls Church	7/1/19 to 6/30/20	10,080	10,080	-
Loudoun County	7/1/19 to 6/30/20	73,213	73,213	-
Prince William County	7/1/19 to 6/30/20	180,260	180,260	-
City of Manassas	7/1/19 to 6/30/20	12,400	12,400	-
Arlington Title III	7/1/19 to 6/30/20	43,935	43,935	-
Alexandria Title III	7/1/19 to 6/30/20	10,500	14,000	3,500
Fairfax Title III	7/1/19 to 6/30/20	36,006	48,008	12,002
Prince William Title III	7/1/19 to 6/30/20	18,750	15,000	(3,750)
Loudoun County Title III	7/1/19 to 6/30/20	5,670	4,470	(1,200)
Fairfax MH/MR	7/1/19 to 6/30/20	37,700	50,257	12,557
Ryan White	7/1/19 to 6/30/20	134,753	150,049	15,296
DVLS (Fairfax County)	7/1/19 to 6/30/20	75,046	100,000	24,954
Arlington Safe Haven Grant	7/1/19 to 6/30/20	18,720	25,000	6,280
Low Income Tax Clinic Grant	7/1/19 to 6/30/20	157,500	100,000	(57,500)
OJJDP Juvenile Justice	7/1/19 to 6/30/20	36,314	36,314	-
Victim Witness Assistance Grant (VOCA Grant)	7/1/19 to 6/30/20	437,692	590,665	152,973
Alexandria Bar Foundation	7/1/19 to 6/30/20	1,000	1,000	-
Arlington Bar Foundation	7/1/19 to 6/30/20	3,750	3,750	-
Arlington Community Foundation	7/1/19 to 6/30/20	1,500	1,500	-
Department of Justice LAV	7/1/19 to 6/30/20	37,500	75,000	37,500
Department of Justice Human Trafficking	7/1/19 to 6/30/20	32,552	55,989	23,437
Contributions	7/1/19 to 6/30/20	84,445	84,445	-
Annual Bar Campaign	7/1/19 to 6/30/20	199,067	199,067	-
Interest Earned	7/1/19 to 6/30/20	18,240	18,240	-
Meyer Foundation	7/1/19 to 6/30/20	5,000	5,000	-
Cafritz Foundation	7/1/19 to 6/30/20	45,000	30,000	(15,000)
Crowell & Moring Foundation	7/1/19 to 6/30/20	-	6,000	6,000
Dunn Chadwick Fellowship	7/1/19 to 6/30/20	79,517	-	(79,517)
Community Foundation of Northern Virginia	7/1/19 to 6/30/20	15,000	15,000	-
Community Foundation of Loudoun/Fauquier	7/1/19 to 6/30/20	10,000	-	(10,000)
Freddie Mac	7/1/19 to 6/30/20	2,500	2,500	-
Healthcare Navigator Grant	7/1/19 to 6/30/20	30,000	51,010	21,010
Equal Justice Works Fellowship	7/1/19 to 6/30/20	40,499	52,499	12,000
Equal Justice America	7/1/19 to 6/30/20	1,325	325	(1,000)
Attorney fees	7/1/19 to 6/30/20	3,362	3,362	-
Navigator Fredericksburg	7/1/19 to 6/30/20	22,257	10,180	(12,077)
Potomac Health Foundation	7/1/19 to 6/30/20	100,000	131,205	31,205
Alexandria ACT Now (COVID)	7/1/19 to 6/30/20	5,000	5,000	-
Rapid Response (COVID)	7/1/19 to 6/30/20	-	5,370	5,370
Donated Services & Facilities	7/1/19 to 6/30/20	951,651	951,651	-
Total Revenue		\$ 7,591,603	\$ 7,419,993	\$ (171,610)

LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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Schedule of Support, Revenue, Expenses and Changes in Net Assets - Legal Services Corporation of Virginia For the Year Ended June 30, 2020

	State Filing Fees	Bank of America	Total LSCV
Support and revenue			
Grant from Legal Services Corporation of Virginia (LSCV)	\$ 1,348,707	\$ 90,000	\$ 1,438,707
Expenses			
Personnel			
Salaries	552,804	50,922	603,726
Health insurance	99,916	8,589	108,505
Disability insurance	3,428	149	3,577
Life insurance	3,802	53	3,855
FICA	82,079	3,874	85,953
Pension	34,415	2,565	36,980
Flexible benefits	3,060	115	3,175
Total personnel	779,504	66,267	845,771
Non-personnel			
Office space and maintenance	54,458	2,691	57,149
Equipment supply and maintenance	19,529	833	20,362
Office supplies and telephone	52,755	2,030	54,785
Insurance	13,173	149	13,322
Library	10,694	326	11,020
Litigation costs	15,798	313	16,111
Dues and licenses	22,759	492	23,251
Travel and training	17,633	859	18,492
Contract services	42,962	1,912	44,874
Audit and other	20,355	648	21,003
Total non-personnel	270,116	10,253	280,369
Total expenses	1,049,620	76,520	1,126,140
Changes in net assets	299,087	13,480	312,567
Net assets, beginning of year	138,547	-	138,547
Net assets, end of year	\$ 437,634	\$ 13,480	\$ 451,114

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, 2020

	General Grant	Human Trafficking	Total
Support and revenue			
Grant income	\$ 75,000	\$ 55,989	\$ 130,989
Total support and revenue	<u>75,000</u>	<u>55,989</u>	<u>130,989</u>
Expenses			
Personnel			
Salaries	61,087	42,538	103,625
Health insurance	8,322	5,004	13,326
Disability insurance	179	129	308
Life insurance	161	110	271
FICA	4,566	3,254	7,820
Pension	685	-	685
Total personnel	<u>75,000</u>	<u>51,035</u>	<u>126,035</u>
Non-personnel			
Office space and maintenance	-	2,132	2,132
Equipment supply and maintenance	-	353	353
Office supplies and telephone	-	1,082	1,082
Insurance	-	47	47
Library	-	293	293
Litigation costs	-	507	507
Travel and training	-	334	334
Contract services	-	206	206
Total non-personnel	<u>-</u>	<u>4,954</u>	<u>4,954</u>
Total expenses	<u>75,000</u>	<u>55,989</u>	<u>130,989</u>
Changes in net assets	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<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 - Healthcare Navigator For the Year Ended June 30, 2020

	Navigator Grant
Support and revenue	
Grant from Virginia Poverty Law Center	\$ 51,010
Expenses	
Personnel	
Salaries	41,700
Health insurance	-
Disability insurance	119
Life insurance	150
FICA	3,106
Pension	2,085
Total personnel	47,160
Non-personnel	
Office supplies and telephone	662
Insurance	54
Travel and training	3,134
Total non-personnel	3,850
Total expenses	51,010
Changes in net assets	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

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, 2020

	General Grant
Support and revenue	
Grant from NVRC / Ryan White	\$ 150,049
Expenses	
Personnel	
Salaries	106,853
Health insurance	17,654
Disability insurance	305
Life insurance	281
FICA	7,904
Pension	4,867
Flexible benefits	131
Total personnel	137,995
Non-personnel	
Office space and maintenance	300
Equipment supply and maintenance	3,302
Office supplies and telephone	58
Litigation	3,839
Travel and training	4,236
Contract services	319
Total non-personnel	12,054
Total expenses	150,049
Changes in net assets	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

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, 2020

	General Grant
Support and revenue	
Grant from U.S. Department of Treasury	\$ 100,000
Expenses	
Personnel	
Salaries	84,051
Health insurance	7,451
Disability insurance	140
Life insurance	136
FICA	3,654
Pension	2,335
Total personnel	97,767
Non-personnel	
Equipment supply and maintenance	869
Litigation	158
Travel and training	1,206
Total non-personnel	2,233
Total expenses	100,000
Changes in net assets	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

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, 2020

	General Grant
Support and revenue	
Grant from Virginia Department of Criminal Justice Services	\$ 590,665
Expenses	
Personnel	
Salaries	397,635
Health insurance	86,522
Disability insurance	1,117
Life insurance	1,133
FICA	29,146
Pension	15,898
Total personnel	531,451
Non-personnel	
Office space and maintenance	21,054
Equipment supply and maintenance	9,505
Office supplies and telephone	7,788
Insurance	3,111
Library	2,705
Litigation	1,126
Dues and licenses	2,558
Travel and training	2,993
Contract services	4,856
Audit and other	3,518
Total non-personnel	59,214
Total expenses	590,665
Changes in net assets	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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Schedule of Support, Revenue, Expenses and Changes in Net Assets - OJJDP Juvenile Justice For the Year Ended June 30, 2020

	General Grant
Support and revenue	
Grant from Virginia Department of Criminal Justice Services	\$ 36,314
Expenses	
Personnel	
Salaries	22,653
Health insurance	3,521
Disability insurance	64
Life insurance	67
FICA	1,733
Total personnel	28,038
Non-personnel	
Equipment supply and maintenance	13
Office supplies and telephone	13
Contract services	8,250
Total non-personnel	8,276
Total expenses	36,314
Changes in net assets	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

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[illegible]

LEGAL SERVICES OF NORTHERN VIRGINIA , INC.

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Schedule of Expenses by Service Area For the Year Ended June 30, 2020

Expenses	Arlington County	City of Alexandria	Falls Church	Fairfax County	Fairfax City	Loudoun County	City of Manassas	City of Manassas Park	Prince William County	Other	Total
Personnel											
Salaries	\$ 358,162	\$ 287,283	\$ 13,572	\$ 1,575,911	\$ 131,200	\$ 320,460	\$ 77,665	\$ 36,193	\$ 36,193	\$ 1,437,926	\$ 4,274,565
Health insurance	59,499	47,725	2,255	261,798	21,796	53,236	12,902	6,013	6,013	238,873	710,110
Disability insurance	1,039	834	39	4,573	381	930	225	105	105	4,174	12,405
Life insurance	926	743	35	4,074	339	828	201	94	94	3,716	11,050
FICA	26,485	21,244	1,004	116,534	9,702	23,697	5,743	2,676	2,676	106,330	316,091
Pension	16,574	13,294	628	72,926	6,071	14,829	3,594	1,675	1,675	66,540	197,806
Flexible benefits	600	481	23	2,640	220	537	130	61	61	2,409	7,162
Total personnel	463,285	371,604	17,556	2,038,456	169,709	414,517	100,460	46,817	46,817	1,859,968	5,529,189
Non-personnel											
Office space and maintenance	19,871	15,939	753	87,432	7,279	17,779	4,309	2,008	2,008	79,776	237,154
Equipment supply and maintenance	7,627	6,117	289	33,558	2,794	6,824	1,654	771	771	30,618	91,023
Office supplies and telephone	10,685	8,571	405	47,016	3,914	9,561	2,317	1,080	1,080	42,899	127,528
Insurance	2,711	2,174	103	11,926	993	2,425	588	274	274	10,881	32,349
Library	2,525	2,025	96	11,110	925	2,259	548	255	255	10,138	30,136
Litigation costs	2,350	1,885	89	10,342	861	2,103	510	238	238	9,435	28,051
Dues and licenses	2,463	1,975	93	10,836	902	2,204	534	249	249	9,888	29,393
Travel and training	4,782	3,836	181	21,040	1,752	4,278	1,037	483	483	19,198	57,070
Contract services	13,951	11,191	529	91,386	5,111	12,483	3,025	1,410	1,410	82,210	222,706
Audit and other	7,796	6,253	295	4,303	2,856	6,976	1,691	788	788	5,100	36,846
Total non-personnel	74,761	59,966	2,833	328,949	27,387	66,892	16,213	7,556	7,556	300,143	892,256
Non-cash direct expenses											
Accrued vacation	4,316	3,462	164	18,991	1,581	3,862	936	436	436	17,328	51,512
Depreciation	2,296	1,842	87	10,104	841	2,055	498	232	232	9,219	27,406
Donated facilities	-	-	-	146,901	-	-	-	-	-	-	146,901
Donated services	15,250	38,750	1,500	646,500	19,500	16,750	1,000	-	30,250	35,250	804,750
Total non-cash expenses	21,862	44,054	1,751	822,496	21,922	22,667	2,434	668	30,918	61,797	1,030,569
Total expenses	\$ 559,908	\$ 475,624	\$ 22,140	\$ 3,189,901	\$ 219,018	\$ 504,076	\$ 119,107	\$ 55,041	\$ 85,291	\$ 2,221,908	\$ 7,452,014

Legal Services of Northern Virginia, Inc.

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Schedule of Expenditures of Federal Awards**For the Year Ended June 30, 2020**

<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	\$ 1 590 308
TIG Grant		29 498
Pro Bono Innovation Fund Award		131 112
COVID grant		14 536
U.S. Department of Health and Human Services		
Pass-through from Department on Aging (Title III)	93.044	125 413
U.S. Department of Health and Human Services		
Ryan White Treatment Extension Act of 2009	93.917	150 049
U.S. Department of Justice		
Pass-through from Department of Criminal Justice Services		
Violence Against Women Stimulus	16.524	75 000
Human trafficking		55 989
U.S. Department of Treasury		
Low Income Taxpayer Clinics	21.008	100 000
U.S. Department of Justice		
Victim Witness Assistance Program (VOCA)	16.575	590 665
U.S. Department of Justice		
OJJDP - Second Chances Act - Juvenile Reentry Legal Services	16.812	36 314
Corporation for National & Community Service		
Equal Justice Works	94.006	52 824
U.S. Department of Health and Human Services		
Healthcare Navigator Grants	96.750	<u>51 010</u>
Total Expenditures of Federal Awards		\$ <u>3 002 718</u>

The accompanying notes are an integral part of this schedule

**Notes to the Schedule of Expenditures of Federal Awards
June 30, 2020**

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, 2020. 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 \$48,988 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, 2020, 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 6, 2020.

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.

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 6, 2020

**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

We have audited Legal Services of Northern Virginia Inc.'s compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Legal Services of Northern Virginia, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Legal Services of Northern Virginia, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Legal Services of Northern Virginia Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Legal Services of Northern Virginia Inc. 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, 2020.

Report on Internal Control Over Compliance

Management of Legal Services of Northern Virginia Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Legal Services of Northern Virginia Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Legal Services of Northern Virginia Inc.'s 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 6, 2020

Legal Services of Northern Virginia, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

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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 Xno

Significant deficiency(ies) identified? _____yes Xnone reported

Noncompliance material to financial statements noted? _____yes Xno

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____yes Xno

Significant deficiency(ies) identified? _____yes Xnone 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 Xno

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 Xno

B. Findings - financial statement audit

None

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

None