



Legal Aid Of North West Texas

Equal Justice For All

AUDITED FINANCIAL STATEMENTS

AND AUDIT OF FINANCIAL ASSISTANCE PROGRAMS IN ACCORDANCE

WITH OMB CIRCULAR A-133

FOR THE YEAR ENDED DECEMBER 31, 2008

GRANT RECIPIENT NUMBER 744050



TEXAS | ACCESS *to* JUSTICE
FOUNDATION





Legal Aid Of North West Texas

Equal Justice For All

AUDITED FINANCIAL STATEMENTS

AND AUDIT OF FINANCIAL ASSISTANCE PROGRAMS IN ACCORDANCE

WITH OMB CIRCULAR A-133

FOR THE YEAR ENDED DECEMBER 31, 2008

GRANT RECIPIENT NUMBER 744050

TABLE OF CONTENTS

LSC Recipient No. 744050

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Activities	7
Statement of Functional Expenses	8
Statement of Cash Flows	9
Notes to Financial Statements	10
SUPPLEMENTARY DATA	
Statement of Support, Revenue and Expenses	24
Statement of Changes in Net Assets	34
Private Attorney Involvement - Schedule of Expenditures	35
Schedule of Expenditures of Federal Awards and Other Financial Assistance	36
INDEPENDENT AUDITORS' REPORTS 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	38
Financial Assistance Section - Report on Compliance with Requirements Applicable to LSC Financial Assistance and on Internal Control over Compliance in Accordance with OMB Circular A-133	40
Schedule of Findings and Questioned Costs	42
Status of Prior Year Findings	45



FRAZIER GILLS, P.C.
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Legal Aid of NorthWest Texas
Fort Worth, Texas

We have audited the accompanying statement of financial position of Legal Aid of NorthWest Texas (a nonprofit organization) as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 United States and Legal Services Corporation Guide for Recipients and Auditors dated November 1996, including updates. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Aid of NorthWest Texas as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2009 on our consideration of Legal Aid of NorthWest Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Phone: (214) 337-5000 Fax: (214) 337-5030 Internet: www.fraziergills.com

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Legal Aid of NorthWest Texas taken as a whole. The supplementary schedules are presented for purposes of additional analysis as well as the accompanying Schedule of Expenditures of Federal Awards and Other Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

March 30, 2009

A handwritten signature in black ink that reads "Frazer Gills, P.C." The signature is written in a cursive style with a large, stylized initial 'F'.

LEGAL AID OF NORTHWEST TEXAS

Statement of Financial Position

As of December 31, 2008

ASSETS

Cash and Equivalents	\$ 732,077
Cash in Escrow-Client Deposits	7,543
Accounts Receivable	898
Due from Agencies	385,204
Prepaid Expenses	<u>103,704</u>

Total Current Assets 1,229,426

PROPERTY

Furniture, Fixtures & Equipment	847,782
Accumulated Depreciation	<u>(646,512)</u>
Net	201,270

Buildings, Improvements and Land	6,378,397
Accumulated Depreciation	<u>(877,851)</u>
Net	5,500,546

Law Library	22,534
Accumulated Depreciation	<u>(8,899)</u>
Net	<u>13,635</u>

Total Property 5,715,451

TOTAL ASSETS 6,944,877

See accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS

Statement of Financial Position

As of December 31, 2008

LIABILITIES

Accounts Payable	\$ 641,424
Accrued Expenses	204,776
Client Trust Deposits	7,543
Refundable Advances	44,966
Note Payable Current Portion	<u>96,518</u>

Total Current Liabilities 995,227

Note Payable - long term 2,811,832

Total Long Term Liabilities 2,811,832

Total Liabilities 3,807,059

NET ASSETS

UNRESTRICTED

General 43,003

General-property 484,780

Total Unrestricted 527,783

TEMPORARILY RESTRICTED

Other Grants - general 750

Legal Services Corporation - grants 104,296

Legal Services Corporation - property 1,981,301

Other Grants - Property 523,688

2,610,035

Total Net Assets 3,137,818

TOTAL LIABILITIES AND NET ASSETS 6,944,877

See accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Statement of Activities
For the Year Ended December 31, 2008

	Temporarily Restricted			Total	Total All Funds
	Unrestricted	LSC	Non-LSC		
Revenues and Other Support:					
Grants and Contracts	-	7,331,805	6,619,726	13,951,531	13,951,531
Donations	248,367	-	30,112	30,112	278,479
Donated Services	-	5,180,767	-	5,180,767	5,180,767
Interest Income	-	45,240	-	45,240	45,240
Loss on Disposal fo Equipment	-	(34)	-	(34)	(34)
Net Assets Released from Restrictions	19,101,012	(12,443,163)	(6,657,850)	(19,101,012)	-
Total Revenues, Gains, and Other Suppor	19,349,379	114,615	(8,012)	106,604	19,455,983
Expenses					
Program Services	17,379,588				17,379,588
Management and General	1,897,791				1,897,791
Fundraising	202,479				202,479
Total Expenses	19,479,858	-	-	-	19,479,858
Changes in Net Assets	(130,479)	114,615	(8,012)	106,604	(23,875)
Net Assets, Beginning of Year	658,262	1,970,981	532,450	2,503,431	3,161,693
Net Assets, End of Year	527,783	2,085,596	524,438	2,610,035	3,137,818

See the accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Statement of Functional Expenses
For the Year Ended December 31, 2008

	Program Services	Management and General	Fundraising	Total
Attorneys salaries and wages	5,208,948	171,896	-	5,380,844
Non-attorneys salaries and wages	2,320,109	845,219	150,765	3,316,093
Payroll Taxes	556,135	74,816	11,104	642,055
Fringe benefits	1,979,030	330,298	33,482	2,342,810
Total Personnel Expenses	10,064,222	1,422,229	195,351	11,681,802
Legal Consultants-Donated	5,180,767	-	-	5,180,767
Contract Services	85,487	184,980	-	270,467
Travel and Training	174,885	44,757	707	220,349
Occupancy	692,972	103,449	-	796,421
Building Interest	19,268	19,268	-	38,536
Purchases & Materials	85,880	12,321	-	98,201
Wide Area Network	111,498	2,703	-	114,201
Equipment Rental	2,269	-	-	2,269
Equipment Repairs	95,231	29,702	-	124,933
Depreciation	298,527	7,667	-	306,194
Office Supplies	119,197	25,062	485	144,744
Printing	2,877	265	964	4,106
Postage	84,248	11,750	4,972	100,970
Bank Service Charges	431	7,302	-	7,733
Telephone	232,380	13,636	-	246,016
Advertising	3,428	1,295	-	4,723
Insurance	38,306	979	-	39,285
Dues	38,560	3,005	-	41,565
Recruiting	5,229	1,884	-	7,113
Litigation	13,737	5,537	-	19,274
ESG Rental Assistance	30,189	-	-	30,189
Total Other Expenses	7,315,366	475,562	7,128	7,798,056
Total Expenses	17,379,588	1,897,791	202,479	19,479,858

See the accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Statement of Cash Flows
For the Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	(23,875)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	306,193
Decrease (Increase) in Accounts receivable	3,645
(Increase) decrease in Due from Agencies	214,529
(Increase) decrease in Prepaid Expenses	4,794
Increase (Decrease) in Accounts payable-Trade	273,299
Increase (Decrease) in Accrued Expenses	(264,837)
(Decrease) increase in Due to Agencies	43,541
Loss on Disposal of Assets	34
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>557,323</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Adjustment - asset accrual	1,844
Purchase of building, equipment and law library books	<u>(3,769,994)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(3,768,150)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Decrease in Note Payable	<u>(91,650)</u>
NET CASH (Used In) FINANCING ACTIVITIES	<u>(91,650)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,302,477)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,034,554</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>732,077</u></u>

See accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Activities

Legal Aid of NorthWest Texas (LANWT) is a nonprofit corporation organized for the purpose of providing legal assistance in non-criminal matters to persons financially unable to afford legal assistance. In March 2003, Legal Services of North Texas merged with West Texas Legal Services and formed Legal Aid of NorthWest Texas. Service is provided at 13 branches and the service area covers 114 counties. Its mission is "to ensure equal justice for people living in poverty through the provision of high quality legal representation and to further the ends of justice and improve the lives of low income people through the rule of the law."

b) Basis of Accounting

The financial statements of Legal Aid of NorthWest Texas have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

c) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Additionally, the Organization is required to present a statement of cash flows.

As a nonprofit corporation, Legal Aid of NorthWest Texas maintains its records on a fund accounting basis in order to ensure observance of the limitations and restrictions placed on the use of its resources. This is the procedure by which net assets for various purposes are classified for accounting and reporting purposes into self-balancing funds according to their nature and purpose. The various funds are as follows:

Unrestricted funds represent resources that are available for the support of the Organization's operations.

Temporarily restricted funds include grants, gifts and other program income expendable only for purposes specified or approved by the grantor or donor.

At December 31, 2008, temporarily restricted funds specifically classified as property, plant and equipment that have been purchased utilizing the following funds:

<u>Temporarily Restricted Fund</u>	
Legal Services Corporation	\$1,981,301
Interest on Lawyers' Trust Fund	472,762
Dallas Bar Association	45,813
Private Donations	5,113
Total	<u>\$2,504,989</u>

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Major Grants, Contracts and/or Allocation Support

The major funding sources for LANWT include Legal Services Corporation (LSC), Texas Equal Access to Justice Foundation (TAJF), the Department of Justice and the United Way. These sources comprise approximately 88% of the total funding received by the Organization for the year ended December 31, 2008.

LSC, a nonprofit corporation, administers the federal government's legal assistance program and provides continued support to LANWT through annual grants. LANWT recognizes contract funds from LSC support on a straight-line basis over the grant/contract period. In accordance with the terms of its grants/contracts from LSC, LANWT may retain unused funds that are less than ten percent of current funding for use in future periods provided all grant conditions have been complied with. At the option of the LSC, LANWT may be required to refund any LSC fund balance in excess of ten percent of the current year's funding level.

Texas Equal Access to Justice Foundation provides LANWT with an annual Interest on Lawyers Trust Accounts (IOLTA) grant which is awarded to serve specific civil legal needs of indigent Texans. A liability is recognized to the extent cash advances exceed eligible costs incurred. Conversely, a receivable is recognized to the extent costs incurred by LANWT exceeds cash advances from IOLTA.

Additionally, the Texas Equal Access to Justice Foundation provided funding for the Basic Civil Legal Services Program (BCLS) and the Crime Victims Civil Legal Services Grant (CVCLS).

BCLS was established by the Supreme Court of Texas in compliance with an act enacted by the Texas legislature relating to additional court filing fees to provide basic civil services to the indigent.

The CVLCS grant was established to provide victim related civil legal services to victims of crime. The same accounting policies apply to the BCLS and CVCLS grants.

During 2008, LANWT received funds from the U.S. Department of Justice's Violence Against Women Office. The program entitled, Legal Assistance for Victims Grant Program, supports projects that provide legal services to victims of domestic violence, sexual assault and/or stalking.

LSC, IOLTA, BCLS and CVCLS grantors may, at their discretion, request reimbursement for expenses or return of funds or both, as a result of non-compliance by LANWT with the terms of grants, contracts and/or allocations. In addition, if LANWT terminates its legal assistance activities, all unused funds are to be returned to the respective funding sources.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property and Equipment

Property acquired with LSC, IOLTA, BCLS and CVCLS funds is considered to be owned by LANWT. However, the funding sources have a reversionary interest in the property as well as the right to determine the use of any proceeds from the sale of assets purchased with their respective funds.

LANWT capitalizes expenditures in excess of \$5,000 for property and equipment which has a useful life of one year or more. Purchased property and equipment are capitalized at cost. Depreciation of property and equipment is computed on a straight-line basis over the estimated service lives of the assets.

The following lives have been assigned to the capitalized assets:

Buildings	30 years
Furniture, fixtures and equipment	5 years
Law library	3 years

In accordance with the Financial Accounting Standard Board's SFAS 144, "Accounting for Impairment or Disposal of Long Lived Assets", LANWT recognized a \$ 264,484 adjustment to lower the carrying value of the law library to fair value. Effective January 1, 2008, LANWT expenses all library books purchased.

Total depreciation expense was \$306,194 for the year ended December 31, 2008. Property donated to LANWT is recorded at fair market value at the date of donation.

f) Expense Allocations

In some cases, expenses are incurred which support the work performed under more than one grant, contract, or maintenance of effort requirement. Such expenses are allocated among various funding sources as agreed by these funding sources or, in the absence of an agreement, on the basis which appears most reasonable to LANWT. Expenses are generally charged to program and supporting services on the basis of payroll and related expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

g) Donated Services

Donated services represent services rendered by various attorneys and other volunteers in the program service area at no charge to LANWT in connection with its legal assistance program. The value of donated services is based upon an estimated average fee normally charged by the professionals and volunteers rendering the services. The amounts recorded as donated services are based on actual time spent on all cases and legal clinics during the year. Donated services are recognized both as support and expense in the accompanying financial statements.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Donated Services (continued)

For the year ended December 31, 2008, volunteers are estimated to have donated approximately 43,000 hours and management estimates the value of volunteer services to be \$5,180,767.

h) Income Taxes

LANWT is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, LANWT has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(2) of the Code.

i) Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

NOTE 2 - RESTRICTED AND UNRESTRICTED SUPPORT AND REVENUE

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

NOTE 3 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following program and supporting services are included in the accompanying statement of functional expenses.

Program Services

The organization provides equal access to the system of justice by providing legal assistance to those who face economic barriers to adequate legal counsel. Legal representation is provided in the areas of: consumer/finance; education; employment; family law; health; housing; income maintenance; and individual rights. Included in program services expenses are donated services of attorneys, paralegals and others totaling \$ 5,180,767 for the year ended December 31, 2008. A corresponding amount is also recognized as revenue.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2008

NOTE 3 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (continued)

Management and General

This category includes the functions necessary to maintain a viable legal service program; adequate working environment; provide coordination and articulation of the Organization's program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent legal and other technical services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

NOTE 4 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2008:

Buildings and Land	\$	6,378,397
Furniture and Fixtures		87,507
Machinery, Equipment & Software		760,275
Law Library		22,534
		<u>7,248,713</u>
Accumulated Depreciation		<u>(1,533,262)</u>
Total	\$	<u><u>5,715,451</u></u>

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 6 – DUE FROM AGENCIES

The Due from agencies balance consists of the excess of grant/contract expenses over revenues received from governmental and private agencies applicable to the period January 1, 2008 through December 31, 2008.

VOCA	\$	86,120
STOP-VAWA		55,549
United Way		43,022
District Attorney's Office		34,005
OAG-Hotline		31,164
City of Dallas Emergency Shelter		28,129
CVCLS		19,840
Internal Revenue Service		17,460
HUD Homeless		12,581
DA-VOCA		11,400
IOLTA		11,090
Office of Attorney General		9,737
TIG		5,000
OAG-Lubbock		4,919
HUD - Amarillo		4,906
Family Place		4,163
TAJF-Parenting Clinic		3,119
United Way - Kaufman		<u>3,000</u>
	\$	<u>385,204</u>

NOTE 7 – REFUNDABLE ADVANCES

The Refundable Advances (Deferred Revenue) balance consists of the excess of grant or contract revenues received from governmental and private agencies over expenses applicable to the period January 1, 2008 through December 31, 2008. The detail of the Refundable Advances is shown on the next page.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2008

NOTE 7 – REFUNDABLE ADVANCES (continued)

BCLS	13,053
TAJF Eldorado	11,705
Texas Bar Foundation	10,000
Payne Foundation	1,307
Joachim Foundation	3,144
B’Nai ‘Rith	2,223
Westside Lions Club	2,034
Others	<u>1,500</u>
	<u>\$ 44,966</u>

NOTE 8 - LEASE COMMITMENTS

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2008:

	<u>Year Ending</u> <u>December 31</u>	
	2009	\$ 339,436
	2010	276,310
	2011	215,746
	2012	165,771
	2013	<u>56,472</u>
Total future minimum rental payments required		\$ <u>1,053,735</u>

Total rental expense for all operating leases, exclusive of utilities, was \$546,075 in 2008.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statement
December 31, 2008

NOTE 9 - NOTE PAYABLE

On December 20, 2007, the Organization entered into a \$3,000,000 promissory note with Splendora Cultural Education Facilities Finance Corporation. The note was assigned to Frost National Bank. Principal and interest vary and was due and payable commencing January 20, 2008 through December 20, 2017, when the remaining unpaid principal shall become due and payable. The note is payable to Frost Bank, requiring monthly installments of \$19,418, including principal and interest. Construction of the Fort Worth office was completed in September 2008.

Interest is computed at a per annum rate equal to the lesser of a rate equal to 65% of London Interbank Offered Rate (LIBOR) plus 1.25% per annum or the maximum rate permitted by Chapter 1204 of the Texas Government Code, as amended, or other applicable law. The note is secured by a Deed of Trust on the building at 600 East Weatherford Street, Fort Worth, Texas.

Balance of note as of December 31, 2008	\$2,908,350
Less: current maturities	96,518

Long Term Maturities	<u>\$2,811,832</u>

The debt service requirements at December 31,2008 are as follows:

For Year Ended December 31:

2009	\$	96,518			
2010		101,220			
2011		106,149			
2012		110,970			
2013		116,725			
	\$	531,582			
Thereafter		2,376,768			

Total	\$	<u>2,908,350</u>			

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statement
December 31, 2008

NOTE 9 - NOTES PAYABLE (continued)

Total construction costs, by funding source, include:

Loan Proceeds	\$2,943,735
Legal Services Corporation Funds	500,000
Legal Services Corporation capitalized	
Interest on note	106,623
Texas Access to Justice Foundation	249,144
Unrestricted Funds	479,767
Other Restricted Funds	5,200
	<hr/>
Total Construction Costs	<u>\$4,284,469</u>

NOTE 10 - RETIREMENT PLAN/401(k)

Included in employee benefits costs is \$523,246 for 2008 which represents costs of a defined contribution retirement plan established for management, administrative and LANWT union employees. Legal Aid of NorthWest Texas contributed 6% of the employees' regular monthly salary for eligible employees. There are no past service costs associated with the plan. Employees are 100% vested after 5 years.

Additionally, employee benefit costs include the cost of a 401(K) Plan for management and administrative staff. In June 2008, the Organization reduced the 3% employer match of the salaries for management and administrative employees. There are no past service costs associated with the plan, and employees are fully vested for all contributions made on their behalf. The total value of the plan was \$927,318 at December 31, 2008. LANWT contributed \$21,520 for year ended December 31, 2008.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The Organization has no legal claims arising from the representation of clients. Additionally, the Organization has professional liability insurance to cover any such claims. Management is of the opinion that there are no legal matters that warrant a provision in the financial statements. Accordingly, no provisions have been made in the financial statements.

The Organization participates in federal and state programs, which are governed by various rules and regulations of the grantor agency. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2008 may be impaired. In the opinion of management, there are no contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 11 – COMMITMENTS AND CONTINGENCIES (continued)

Health insurance is provided to employees of LANWT pursuant to a partially self funded plan. LANWT is liable for claims up to certain annual deductible limits. In general, LANWT is liable on an annual basis for up to \$ 40,000 per employee. During 2008, LANWT experienced significant large claims which in addition to premium and administrative fees accounted for a total of \$1,711,716 health and dental insurance expense for the year ended December 31, 2008.

In December 2008, LANWT submitted a Voluntary Compliance Filing (VCP) with the Internal Revenue Service (under Revenue Procedure 2005-50)for its Money Purchase pension plan, Legal Services of North Texas Defined Contribution Plan, Plan # 002. The voluntary filing was issued to reflect a retroactive plan amendment to conform the plan's provisions to its actual operation. Effective December 31, 2008, the plan was frozen and merged into a new Profit Sharing Plan that was established effective January 1, 2009. Management does not believe there are any contingent liabilities relating to compliance with the rules and regulations; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies. LANWT has engaged auditors to fulfill its Pension Plans' audit requirements for the years ended December 31, 2006 to December 31, 2008.

The former CEO of LANWT has filed a termination related claim with the Equal Employment Opportunity Commission. Management anticipates a favorable outcome and therefore no provisions for contingencies are recorded in the accompanying financial statements.

NOTE 12 - CONCENTRATIONS

Cash and Cash Equivalents

LANWT maintains several bank accounts at various banks. Accounts at an institution are currently insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at these institutions exceeded federally insured limits. The amount in excess of the FDIC limit totaled \$239,000 as of December 31, 2008. In accordance with LSC, Accounting Guide for LSC Recipients, dated August 1997, LANWT deposits funds in the excess of federally insured limits in money market accounts and repurchase agreements that invest in U.S. government securities. The Board of Directors of the Corporation has adopted the guidance issued by Legal Services Corporation regarding the excess funds on deposit.

Grants and Contract Support

For the year ended December 31, 2008, approximately 51% of the Organization's support was provided by the Legal Services Corporation, 33% was provided by various grants from the Texas Equal Access to Justice Foundation and 4% was provided by various United Way Organizations.

Collective Bargaining Agreements

The collective bargaining agreement negotiated in December 2005 for the Organization expired on December 31, 2007. The Organization is currently negotiating a new agreement.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 13 - SUMMARY OF MAJOR FUNDING SOURCES

The funding sources detailed below represent approximately 90% of the Organization's total support.

<u>Funding Source</u>	<u>Grant/Contract Period</u>	<u>Total Grant/ Contract</u>	<u>Support Recognized for the Year Ended 12/31/2008</u>
<u>Legal Services Corporation</u>	Grant 744050 1/1/2008 - 12/31/08	7,331,805	7,331,805
<u>Texas Equal Access to Justice Foundation</u>			
IOLTA	09/01/07-08/31/08	1,187,449	723,491
	09/01/08-08/31/09	<u>1,170,764</u>	<u>392,002</u>
		2,358,213	1,115,493
BCLS	09/01/07-08/31/08	1,851,242	1,106,717
	09/01/08-08/31/09	<u>1,916,349</u>	<u>620,888</u>
		3,767,591	1,727,605
BCLS Hotline	09/01/07-08/31/08	60,500	39,492
	09/01/08-08/31/09	<u>62,347</u>	<u>25,623</u>
		122,847	65,115
CVCLS	09/01/07-08/31/08	510,185	310,357
	09/01/08-08/31/09	<u>510,185</u>	<u>189,902</u>
		1,020,370	500,259
ProRata	09/01/08-08/31/09	285,359	95,119
Comparability	09/01/08 - 12/31/08	1,065,198	1,065,198
FLDS - Eldorado	05/01/08 - 04/01/09	35,000	23,295
Parenting Order Legal Clinic	09/02/07- 08/31/08	200,000	17,023
United Way of Metropolitan Dallas	07/01/07 - 06/30/08	370,088	179,054
	07/01/08 - 06/30/09	<u>475,511</u>	<u>289,417</u>
		845,599	468,471
<u>Department of Justice- Victims of Crime Act</u>	07/01/07 - 06/30/08	365,639	157,103
	07/01/08 - 06/30/09	<u>303,480</u>	<u>166,272</u>
		669,119	323,375

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 14- LSC NET ASSETS ANALYSIS AND COMPUTATION

LSC Net Assets Analysis and Computation

LSC Grant – Basic Field	\$7,331,805
Derivative Income – Interest Income	<u>45,240</u>
Total LSC Grant Support	<u>\$7,377,045</u>

LSC Net Assets Subject to 45 CFR 1628

Ending LSC Net Assets (Percentage of LSC Support – 1.5%)	112,292
Allowable Carryover	<u>737,705</u>
Excess Subject to Recapture	-

NOTE 15 - TAJF COMPARABILITY GRANT

LANWT was granted a Comparability grant from Texas Access of Justice Foundation in the amount of \$1,065,199 in September 2008. In addition to the standard terms and conditions, special terms and conditions were placed on this grant to enable the Organization to expend all the funds in 2008.

NOTE 16 - RELATED PARTY TRANSACTIONS

During the normal course of LANWT's Private Attorney Involvement program activities, attorney Board members participate in, or otherwise contribute to, the provision of legal services to the poor on a pro bono basis, through the Lend a Lawyer program and the Dallas Volunteer Attorney Program. The Board members receive no compensation for services, but may be entitled to reimbursement of out-of-pocket expenses related to the representation of eligible clients.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2008

NOTE 16 - RELATED PARTY TRANSACTIONS (continued)

In the normal course of procuring services or funding, persons related to LANWT officers, employees or Board members may be involved with the firms used for purchasing of nominal services or provision of legal services to the poor. No direct compensation is paid to the related parties and management believes the services are provided at market rates for services provided.

SUPPLEMENTARY DATA

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31,2008

	TEMPORARILY RESTRICTED - LSC				NON LSC	
	LSC	LSC-PAI	FUNDRAISING GENERAL	TOTAL LSC	IOLTA	IOLTA- NAACP
Support and revenue						
-Grants & Contracts	\$ 7,331,805			\$ 7,331,805	\$ 1,063,743	\$ 16,291
-Interest	45,240			45,240		
-Donated Funds				-		
-Donated Services	5,180,767			5,180,767		
Loss on Property	(34)			(34)		
Total Support and revenue	12,557,778	-	-	12,557,778	1,063,743	16,291
Salaries-Attorneys	1,672,182	36,850	-	1,709,032	471,616	
Salaries-Other Prof & Others	1,383,259	444,269	150,765	1,978,293	282,489	12,758
Payroll Taxes	221,083	35,457	11,104	267,643	57,714	977
Fringe Benefits	1,060,107	139,368	33,482	1,232,956	165,805	2,556
Total Personnel	4,336,631	655,943	195,351	5,187,924	977,624	16,291
Legal Consultants-Donated	5,180,767			5,180,767		
Contract Services	174,158	14,278		188,436		
Travel & Training	148,561	24,090	708	173,359	3,306	
Occupancy	617,553	49,304		666,857	25,429	
Building Interest	38,536			38,536		
Purchases & Materials	90,840	3,646		94,486		
Wide Area Network	74,682	9,244		83,926	5,138	
Equipment Rental	1,997	86		2,083		
Equipment Repairs	110,764	8,767		119,531		
Office Supplies	98,622	15,718	485	114,824	4,857	
Printing	219	1,243	964	2,426		
Postage	83,353	6,029	4,971	94,354		
Bank Serv Charges	7,257	476		7,733		
Telephone	140,307	8,037		148,344	6,000	
Advertising	4,310	407		4,717		
Insurance	34,377	2,036		36,413		
Dues				-	41,390	
Recruiting	2,214	4,765		6,979		
Litigation	15,515	904		16,418		
ESG Rental Assistance				-		
Total other expenses	6,824,031	149,030	7,128	6,980,189	86,120	-
Total expenses before depr.	11,160,662	804,973	202,478	12,168,113	1,063,743	16,291
Excess (deficiency) of support and revenue over expenses before depreciation	1,397,116	(804,973)	(202,478)	389,665	-	-
Depreciation	275,049			275,049	8,365	
Excess (deficiency) of support and revenue over expenses after depreciation	\$ 1,122,067	\$ (804,973)		\$ 114,616	\$ (8,365)	\$ -

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2008

NON LSC TEMPORARILY RESTRICTED

	IOLTA- HCC	IOLTA- PAI	IOLTA PRORATA	IOLTA COMPARA	IOLTA ELDORADO	TOTAL IOLTA
Support and revenue						
-Grants & Contracts	\$ 24,862	\$ 10,596	\$ 95,119	\$ 1,065,198	\$ 23,295	\$ 2,299,104
-Interest						
-Donated Funds						
-Donated Services						
Loss on Property						
Total Support and revenue	24,862	10,596	95,119	1,065,198	23,295	2,299,104
Salaries-Attorneys	19,029		39,188	227,907		757,740
Salaries-Other Prof & Others		8,065	29,076	595,068		927,456
Payroll Taxes	1,457	617	6,757	62,923		130,445
Fringe Benefits	4,376	1,914	20,098	179,300		374,049
Total Personnel	24,862	10,596	95,119	1,065,198	-	2,189,690
Legal Consultants-Donated						-
Contract Services						-
Travel & Training					22,981	26,287
Occupancy						25,429
Building Interest						-
Purchases & Materials						-
Wide Area Network						5,138
Equipment Rental						-
Equipment Repairs						-
Office Supplies					275	5,132
Printing						-
Postage					39	39
Bank Serv Charges						-
Telephone						6,000
Advertising						-
Insurance						-
Dues						41,390
Recruiting						-
Litigation						-
ESG Rental Assistance						-
Total other expenses	-	-	-	-	23,295	109,415
Total expenses before depr.	24,862	10,596	95,119	1,065,198	23,295	2,299,104
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation						8,365
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,365)

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31,2008

NON LSC TEMPORARILY RESTRICTED						
	TAJF EMERG FUND	TAJF POLC	TOTAL TAJF	BCLS	BCLS NAACP	BCLS HCC
Support and revenue						
-Grants & Contracts	\$ 54,790	\$ 17,023	\$ 71,812	\$ 1,637,179	\$ 19,598	\$ 24,879
-Interest						
-Donated Funds						
-Donated Services						
Loss on Property						
Total Support and revenue	54,790	17,023	71,812	1,637,179	19,598	24,879
Salaries-Attorneys		9,740	9,740	1,111,688		19,029
Salaries-Other Prof & Others		1,872	1,872	47,036	14,956	
Payroll Taxes		884	884	91,453	1,148	1,458
Fringe Benefits		2,978	2,978	270,545	2,923	4,392
Total Personnel	-	15,474	15,474	1,520,722	19,027	24,879
Legal Consultants-Donated			-			
Contract Services	54,790	435	55,224			
Travel & Training		51	51	10,440	551	
Occupancy		455	455	65,552		
Building Interest			-			
Purchases & Materials			-	1,020		
Wide Area Network			-	23,999		
Equipment Rental			-			
Equipment Repairs			-			
Office Supplies		607	607	6,022	20	
Printing			-			
Postage			-			
Bank Serv Charges			-			
Telephone			-	9,424		
Advertising			-			
Insurance			-			
Dues			-			
Recruiting			-			
Litigation			-			
ESG Rental Assistance			-			
Total other expenses	54,790	1,549	56,338	116,457	571	-
Total expenses before depr.	54,790	17,023	71,812	1,637,179	19,598	24,879
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation			-			
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31,2008

NON LSC TEMPORARILY RESTRICTED

	BCLS Hotline	BCLS PAI	TOTAL BCLS	CVCLS	CITY OF DALLAS-ESG	DBA/CSF
Support and revenue						
-Grants & Contracts	\$ 65,115	\$ 45,949	\$ 1,792,720	\$ 500,259	\$ 57,003	\$ 77,000
-Interest						
-Donated Funds						
-Donated Services						
Loss on Property						
Total Support and revenue	65,115	45,949	1,792,720	500,259	57,003	77,000
Salaries-Attorneys	59,115	4,162	1,193,994	346,587	21,261	48,006
Salaries-Other Prof & Others		31,156	93,148	20,346		10,523
Payroll Taxes		2,703	96,762	28,072	1,626	4,078
Fringe Benefits		7,928	285,788	86,218	3,927	14,393
Total Personnel	59,115	45,949	1,669,692	481,223	26,814	77,000
Legal Consultants-Donated			-			
Contract Services			-			
Travel & Training			10,991	1,814		
Occupancy			65,552	11,510		
Building Interest			-			
Purchases & Materials			1,020			
Wide Area Network			23,999			
Equipment Rental			-			
Equipment Repairs			-			
Office Supplies			6,042	2,374		
Printing			-			
Postage			-			
Bank Serv Charges			-			
Telephone	6,000		15,424	3,337		
Advertising			-			
Insurance			-			
Dues			-			
Recruiting			-			
Litigation			-			
ESG Rental Assistance			-		30,189	
Total other expenses	6,000	-	123,028	19,035	30,189	-
Total expenses before depr.	65,115	45,949	1,792,720	500,259	57,003	77,000
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation						
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31,2008

NON LSC TEMPORARILY RESTRICTED

	DISTRICT ATTORNEY	DA VOCA	FAMILY PLACE	STOP VAWA	HUD- HOMELESS	HUD- AMARILLO
Support and revenue						
-Grants & Contracts	\$ 104,998	\$ 34,231	\$ 50,000	\$ 203,567	\$ 129,036	\$ 62,467
-Interest						
-Donated Funds						
-Donated Services						
Loss on Property						
Total Support and revenue	104,998	34,231	50,000	203,567	129,036	62,467
Salaries-Attorneys	78,183	27,127	48,543	150,388	92,862	45,138
Salaries-Other Prof & Others					10,993	2,086
Payroll Taxes	5,984	2,075	789	11,451	6,065	3,539
Fringe Benefits	20,831	5,029	668	40,891	19,116	11,198
Total Personnel	104,998	34,231	50,000	202,730	129,036	61,961
Legal Consultants-Donated						
Contract Services						
Travel & Training				837		506
Occupancy						
Building Interest						
Purchases & Materials						
Wide Area Network						
Equipment Rental						
Equipment Repairs						
Office Supplies						
Printing						
Postage						
Bank Serv Charges						
Telephone						
Advertising						
Insurance						
Dues						
Recruiting						
Litigation						
ESG Rental Assistance						
Total other expenses	-	-	-	837	-	506
Total expenses before depr.	104,998	34,231	50,000	203,567	129,036	62,467
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation						
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31,2008

NON LSC TEMPORARILY RESTRICTED

	HUD BENEFITS	TOTAL HUD	IRS	UNITED WAY	UW PLEDGES	UW SAFE AT HOME	UW FAM VIOL
Support and revenue							
-Grants & Contracts	\$ 7,552	\$ 199,055	\$ 98,038	\$ 148,934	\$ 14,950	\$ 50,944	\$ 122,477
-Interest							
-Donated Funds							
-Donated Services							
Loss on Property							
Total Support and revenue	7,552	199,055	98,038	148,934	14,950	50,944	122,477
Salaries-Attorneys	5,667	143,667	89,346	11,022	14,950	38,129	84,379
Salaries-Other Prof & Others		13,079		95,454			7,223
Payroll Taxes	434	10,038	1,281	9,445		2,913	6,906
Fringe Benefits	1,451	31,765	4,373	33,013		9,902	23,969
Total Personnel	7,552	198,549	95,000	148,934	14,950	50,944	122,477
Legal Consultants-Donated		-					
Contract Services		-					
Travel & Training		506	3,038				
Occupancy		-					
Building Interest		-					
Purchases & Materials		-					
Wide Area Network		-					
Equipment Rental		-					
Equipment Repairs		-					
Office Supplies		-					
Printing		-					
Postage		-					
Bank Serv Charges		-					
Telephone		-					
Advertising		-					
Insurance		-					
Dues		-					
Recruiting		-					
Litigation		-					
ESG Rental Assistance		-					
Total other expenses	-	506	3,038	-	-	-	-
Total expenses before depr.	7,552	199,055	98,038	148,934	14,950	50,944	122,477
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-	-
Depreciation							
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31,2008

NON LSC TEMPORARILY RESTRICTED

	UW HOUSING	UW LATINO	TOTAL UW	UW KAUFMAN	UW ABILENE	TOTAL OTHER UW
Support and revenue						
-Grants & Contracts	\$ 115,316	\$ 28,150	\$ 480,771	\$ 12,000	\$ 7,712	\$ 19,712
-Interest			-			-
-Donated Funds			-			-
-Donated Services			-			-
Loss on Property			-			-
Total Support and revenue	115,316	28,150	480,771	12,000	7,712	19,712
Salaries-Attorneys	79,717	21,136	249,333		7,712	7,712
Salaries-Other Prof & Others	6,029		108,706	10,652		10,652
Payroll Taxes	6,513	1,618	27,395	765		765
Fringe Benefits	23,057	5,396	95,336	583		583
Total Personnel	115,316	28,150	480,771	12,000	7,712	19,712
Legal Consultants-Donated			-			-
Contract Services			-			-
Travel & Training			-			-
Occupancy			-			-
Building Interest			-			-
Purchases & Materials			-			-
Wide Area Network			-			-
Equipment Rental			-			-
Equipment Repairs			-			-
Office Supplies			-			-
Printing			-			-
Postage			-			-
Bank Serv Charges			-			-
Telephone			-			-
Advertising			-			-
Insurance			-			-
Dues			-			-
Recruiting			-			-
Litigation			-			-
ESG Rental Assistance			-			-
Total other expenses	-	-	-	-	-	-
Total expenses before depr.	115,316	28,150	480,771	12,000	7,712	19,712
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation						
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31,2008

NON LSC TEMPORARILY RESTRICTED

	OAG HOTLINE	OAG	OVAG LUBBOCK	TOTAL OVAG	VOCA	TOTAL NON-LSC
Support and revenue						
-Grants & Contracts	\$ 204,500	\$ 45,016	\$ 47,862	\$ 47,862	\$ 323,375	\$ 6,609,022
-Interest				-		-
-Donated Funds				-		-
-Donated Services				-		-
Loss on Property				-		-
Total Support and revenue	204,500	45,016	47,862	47,862	323,375	6,609,022
Salaries-Attorneys	144,386	38,295	38,276	38,276	245,025	3,637,608
Salaries-Other Prof & Others				-		1,185,782
Payroll Taxes	9,510	1,492	2,248	2,248	18,017	352,912
Fringe Benefits		4,448	7,338	7,338	60,333	1,038,948
Total Personnel	153,896	44,235	47,862	47,862	323,375	6,215,251
Legal Consultants-Donated	-	-	-	-	-	-
Contract Services	3,802			-		59,028
Travel & Training	350	781		-		44,656
Occupancy				-		102,946
Building Interest				-		-
Purchases & Materials				-		1,020
Wide Area Network				-		29,137
Equipment Rental				-		-
Equipment Repairs				-		-
Office Supplies				-		14,153
Printing				-		-
Postage	529			-		568
Bank Serv Charges				-		-
Telephone	45,923			-		70,684
Advertising				-		-
Insurance				-		-
Dues				-		41,390
Recruiting				-		-
Litigation				-		-
ESG Rental Assistance				-		30,189
Total other expenses	50,604	781	-	-	-	393,771
Total expenses before depr.	204,500	45,016	47,862	47,862	323,375	6,609,022
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation				-		8,365
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,365)

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2008

TEMPORARILY RESTRICTED - MISCELLANEOUS

	STATE BAR	WOMEN'S ADVOC	RESTRICTED MISC	TOTAL MISC RESTRICTED
Support and revenue				
-Grants & Contracts	\$ 2,500			\$ 2,500
-Interest				-
-Donated Funds		10,705	27,612	38,317
-Donated Services				-
Loss on Property				-
Total Support and revenue	2,500	10,705	27,612	40,817
Salaries-Attorneys		7,768	6,880	14,648
Salaries-Other Prof & Others				-
Payroll Taxes			512	512
Fringe Benefits			1,501	1,501
Total Personnel	-	7,768	8,893	16,661
Legal Consultants-Donated				-
Contract Services		700	3,245	3,945
Travel & Training			150	150
Occupancy			100	100
Building Interest				-
Purchases & Materials			629	629
Wide Area Network				-
Equipment Rental				-
Equipment Repairs				-
Office Supplies		120	8,905	9,025
Printing		1,680		1,680
Postage		437		437
Bank Serv Charges				-
Telephone				-
Advertising				-
Insurance				-
Dues				-
Recruiting			134	134
Litigation	2,500		356	2,856
ESG Rental Assistance				-
Total other expenses	2,500	2,937	13,519	18,956
Total expenses before depr.	2,500	10,705	22,412	35,617
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	5,200	5,200
Depreciation			3,904	3,904
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ 1,296	\$ 1,296

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2008

	UNRESTRICTED				GRAND TOTAL
	DBA- JT CAMPAIGN	EQUAL ACCES	UNRESTRICTED GENERAL	TOTAL UNRESTRICTED GENERAL	
Support and revenue					
-Grants & Contracts	\$ 200,675			\$ 200,675	\$ 14,144,002
-Interest				-	45,239.88
-Donated Funds		1,200	46,491	47,691	86,008
-Donated Services				-	5,180,767
Loss on Property				-	(34)
Total Support and revenue	200,675	1,200	46,491	248,367	19,455,983
Salaries-Attorneys	19,557			19,557	5,380,846
Salaries-Other Prof & Others	68,702		83,316	152,018	3,316,092
Payroll Taxes	7,027		13,962	20,989	642,056
Fringe Benefits	24,197		45,206	69,403	2,342,809
Total Personnel	119,483	-	142,484	261,967	11,681,803
Legal Consultants-Donated				-	5,180,767
Contract Services	4,059		15,000	19,059	270,468
Travel & Training	2,186			2,186	220,351
Occupancy	26,519			26,519	796,421
Building Interest				-	38,536
Purchases & Materials	2,066			2,066	98,201
Wide Area Network	1,137			1,137	114,201
Equipment Rental	186			186	2,269
Equipment Repairs	5,402			5,402	124,933
Office Supplies	4,929		1,810	6,740	144,741
Printing				-	4,106
Postage	5,610			5,610	100,969
Bank Serv Charges				-	7,733
Telephone	26,987			26,987	246,015
Advertising	7			7	4,723
Insurance	2,872			2,872	39,285
Dues	174			174	41,564
Recruiting				-	7,114
Litigation				-	19,274
ESG Rental Assistance				-	30,189
Total other expenses	82,134	-	16,810	98,945	7,491,860
Total expenses before depr.	201,617	-	159,294	360,911	19,173,663
Excess (deficiency) of support and revenue over expenses before depreciation	(942)	1,200	(112,803)	(112,545)	282,320
Depreciation			18,876	18,876	306,194
Excess (deficiency) of support and revenue over expenses after depreciation	\$ (942)	\$ 1,200	\$ (131,679)	\$ (131,421)	\$ (23,875)

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Changes in Net Assets
For the year ended December 31, 2008

	Other Restricted			Total Restricted	Unrestricted		Total
	Legal Services Corporation	Miscellaneous	Property		General	Property	
Excess (deficiency) of support & revenue over expenses	391,540	4,257	(289,194)	106,603	(111,603)	(18,875)	(23,875)
Extraordinary Items	-	-	-	-	-	-	-
Increase (decrease) in net assets	391,540	4,257	(289,194)	106,603	(111,603)	(18,875)	(23,875)
Change in net assets							
Loan spent for building	2,817,331	-	(2,817,331)	-	(479,767)	479,767	-
Acquisition of property	(3,285,026)	(5,200)	3,290,226	-	-	-	-
Retirement of long-term debt	(91,650)	-	91,650	-	-	-	-
Subtotal	(559,345)	(5,200)	564,545	-	(479,767)	479,767	-
Total changes in net assets	(167,805)	(943)	275,351	106,603	(591,370)	460,892	(23,875)
Net assets, beginning of year	272,101	1,693	2,229,638	2,503,432	634,373	23,889	3,161,693
Transfers	-	-	-	-	-	-	-
Net assets, end of year	104,296	750	2,504,989	2,610,035	43,003	484,781	3,137,818

See the accompanying auditors' report.

Legal Aid of Northwest Texas
Private Attorney Involvement-
Schedule of Expenditures
For the Year Ended December 31, 2008

Personnel Expenses

Salaries and Wages	
Lawyers	\$ 108,575
Non-lawyers	562,714
Payroll Taxes	49,881
Fringe Benefits	<u>187,801</u>
 Total Personnel Expenses	 \$ 908,971

Other Expenses

Contract Services	18,337
Travel and training	26,276
Space	75,821
WAN	10,381
Educational Materials	5,157
Rent or lease of equipment	272
Maintenance and repairs	14,169
Office Supplies	21,202
Printing	1,243
Postage and freight	11,640
Telephone	35,024
Advertising	414
Insurance	4,908
Recruiting	4,765
Litigation	904
Other direct expenses	<u>651</u>
 Total Other Expenses	 \$ <u>231,164</u>

Total Expenses \$ 1,140,135

Note: Private Attorney Involvement expenses represent 15.5% of the 2008 Legal Services Corporation Grant Award.

See accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS

Schedule of Expenditures of Federal Awards and Other Financial Assistance

For the year ended December 31, 2008

Grantor/ Passed Through Grantor/ Program Title	CFDA	Contract Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed through the City of Dallas			
Supportive Housing Program	14.235	TX01B600034	50,109
		TX01B700028	78,927
Supportive Housing Program	14.235	TX01B601031	7,552
Supportive Housing Program	14.235	TX01B411002	31,331
		TX01B711001	31,136
Emergency Shelter Grant	14.231	CTCH183959 & 183971	36,632
		CTGH184058 & 184059	<u>20,371</u>
Total U.S. Department of Housing and Urban Development			<u>256,058</u>
U.S. Department of Treasury			
Internal Revenue Service			
Low Income Taxpayers Clinic	21.008	2008132	<u>98,038</u>
Total U.S. Department of Treasury			<u>98,038</u>
U.S. Department of Justice			
Legal Services Corporation - Other Financial Assistance			
Basic Field Grant		744050	<u>7,331,805</u>
Legal Services Corporation, Subtotal			7,331,805
Passed through the Governor's Criminal Justice Division			
Stop Violence Against Women - Rural			
Safe at Home Project	16.588	18471-03	131,373
		18471-04	72,193
Victims of Crime - Rural Safe at Home			
Project	16.575	16964-04	157,103
		16964-05	166,272
Passed through Dallas County District Attorney			
Violence Against Women	16.558	6200	50,459
		6200	54,539
Collaborative Domestic Violence Project	16.590	6007	22,830
		6007	<u>11,400</u>
Total U.S. Department of Justice			<u>7,997,974</u>

See accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2008

Grantor/ Passed Through Grantor/ Program Title	CFDA	Contract Number	Expenditures
U.S. Department of Health and Human Services			
State of Texas Office of Attorney General			
Access and Visitation Grant	93.597	07-C0212	21,510
		09-C0104	23,505
Access and Visitation Grant	93.597	07-C0211	132,200
		09-C0107	<u>72,300</u>
Total U.S. Department of Health and Human Services			<u>249,515</u>
Total Expenditures of Federal Awards			\$ <u>8,601,585</u>

Note:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of LANWT and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

See accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Status Of Prior Year Findings
For the year ended December 31, 2008

There were no findings reported for the year ended December 31, 2007.