

**LEGAL AID OF NORTHWEST TEXAS
LEGAL SERVICES CORPORATION
GRANT RECIPIENT NUMBER 744050**

**DECEMBER 31, 2007 and 2006
Financial Statements**

Legal Aid of NorthWest Texas
 Financial Statements
 December 31, 2007 and 2006

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**DAVIS CLARK
& COMPANY**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Legal Aid of NorthWest Texas
400 N. Beach Street, 1st Floor
Fort Worth, Texas 76111

We have audited the accompanying statements of financial position of Legal Aid of NorthWest Texas (a nonprofit organization) (LANWT) as of December 31, 2007 and 2006, and the related statements of financial activities, of cash flows and of functional expenses for the years 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 audits.

We conducted our audits 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 and Legal Services Corporation Guide for Recipients and Auditors dated December 1998. 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 the Legal Aid of NorthWest Texas as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years 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 29, 2008 on our consideration of the Legal Aid of NorthWest Texas' internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Legal Aid of NorthWest Texas, taken as a whole. The accompanying Schedule of Expenditures of Federal/State Awards and the Schedule of Private Attorney Involvement - Schedule of Expenditures are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The Statements of Support, Revenue and Expenses for the years ended December 31, 2007 and 2006 and the Statements of Changes in Net Assets for 2007 and 2006, are presented for the purposes of additional analysis. These schedules and statements are not a required part of the basic financial statements of the Legal Aid of NorthWest Texas. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Davis Clark & Company". The signature is written in black ink and is positioned to the right of the main text block.

March 29, 2008

DAVIS CLARK & COMPANY, LLC
Certified Public Accountants

Legal Aid of NorthWest Texas
 Statements of Financial Position
 December 31, 2007 and 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 4,034,554	\$ 2,999,672
Cash in escrow - client deposits	7,105	4,157
Accounts receivable	4,543	51,417
Due from agencies	599,733	564,958
Prepaid expenses	<u>108,498</u>	<u>194,002</u>
Total current assets	<u>4,754,433</u>	<u>3,814,206</u>
 Property		
Furniture, fixtures & equipment	947,376	1,311,084
Accumulated depreciation	(665,369)	(1,094,570)
Net furniture, fixtures & equipment	<u>282,007</u>	<u>216,514</u>
 Buildings, improvements & land	2,093,928	2,723,971
Accumulated depreciation	(740,859)	(1,219,347)
Net buildings, improvements & land	<u>1,353,069</u>	<u>1,504,624</u>
 Law library	285,018	302,801
Accumulated depreciation	(181,042)	(179,638)
Net law library	<u>103,976</u>	<u>123,163</u>
 Construction in progress	<u>514,475</u>	<u>28,642</u>
Total property	<u>2,253,527</u>	<u>1,872,943</u>
 Total assets	<u>\$ 7,007,960</u>	<u>\$ 5,687,149</u>

The accompanying notes are an integral part of these financial statements.

Legal Aid of NorthWest Texas
 Statements of Financial Position
 December 31, 2007 and 2006

EXHIBIT A

<u>LIABILITIES</u>	<u>2007</u>	<u>2006</u>
Accounts payable	\$ 368,125	\$ 216,492
Accrued expenses	469,613	373,692
Client trust deposits	7,105	4,157
Due to agencies	1,425	459,332
Note payable - current	<u>91,650</u>	<u>- 0 -</u>
Total current liabilities	<u>937,918</u>	<u>1,053,673</u>
Note payable - long term	<u>2,908,350</u>	<u>- 0 -</u>
Total long term liabilities	<u>2,908,350</u>	<u>- 0 -</u>
Total liabilities	<u>3,846,268</u>	<u>1,053,673</u>
<u>NET ASSETS</u>		
Unrestricted	634,373	831,438
General - property	<u>23,888</u>	<u>34,768</u>
Total unrestricted net assets	<u>658,261</u>	<u>866,206</u>
Temporarily restricted		
Legal Services Corporation - grants	272,101	1,897,360
Legal Services Corporation - property	1,698,880	1,614,512
Other Grants - property	530,757	236,232
Other Grants - grants	<u>1,693</u>	<u>19,166</u>
Total temporarily restricted net assets	<u>2,503,431</u>	<u>3,767,270</u>
Total net assets	<u>3,161,692</u>	<u>4,633,476</u>
Total liabilities and net assets	<u>\$ 7,007,960</u>	<u>\$ 5,687,149</u>

The accompanying notes are an integral part of these financial statements.

Legal Aid of NorthWest Texas
Statement of Financial Activities
For the Year Ended December 31, 2007

EXHIBIT B

	Temporarily Restricted				Total all Funds
	Unrestricted	LSC	Non - LSC	Total	
Revenues and Other Support:					
Grants and contracts	276,088	7,166,965	6,333,299	13,500,264	13,776,352
Donations	- 0 -	- 0 -	55,965	55,965	55,965
Donated services	- 0 -	4,512,548	- 0 -	4,512,548	4,512,548
Interest income	- 0 -	123,093	- 0 -	123,093	123,093
Loss on disposal of equipment	- 0 -	(195,760)	- 0 -	(195,760)	(195,760)
Net assets released from restrictions	<u>19,259,949</u>	<u>(13,147,737)</u>	<u>(6,112,212)</u>	<u>(19,259,949)</u>	<u>- 0 -</u>
Total revenues, gains, and other support	<u>19,536,037</u>	<u>(1,540,891)</u>	<u>277,052</u>	<u>(1,263,839)</u>	<u>18,272,198</u>
Expenses					
Program services	17,688,958	- 0 -	- 0 -	- 0 -	17,688,958
Management and general	1,872,559	- 0 -	- 0 -	- 0 -	1,872,559
Fundraising	<u>182,465</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>182,465</u>
Total expenses	<u>19,743,982</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>19,743,982</u>
Changes in net assets	(207,945)	(1,540,891)	277,052	(1,263,839)	(1,471,784)
Net assets, beginning of year	<u>866,206</u>	<u>3,511,872</u>	<u>255,398</u>	<u>3,767,270</u>	<u>4,633,476</u>
Net assets, end of year	<u>\$ 658,261</u>	<u>\$ 1,970,981</u>	<u>\$ 532,450</u>	<u>\$ 2,503,431</u>	<u>\$ 3,161,692</u>

The accompanying notes are an integral part of this financial statement.

Legal Aid of NorthWest Texas
Statement of Financial Activities
For the Year Ended December 31, 2006

EXHIBIT C

	<u>Temporarily Restricted</u>				<u>Total all Funds</u>
	<u>Unrestricted</u>	<u>LSC</u>	<u>Non-LSC</u>	<u> </u>	
Revenues and Other Support:					
Grants and contracts	\$ 230,302	\$ 6,824,814	\$ 6,056,209	\$12,881,023	\$13,111,325
Donations	12,925	- 0 -	79,425	79,425	92,350
Donated services	- 0 -	4,243,341	- 0 -	4,243,341	4,243,341
Interest income	- 0 -	161,539	- 0 -	161,539	161,539
Loss on disposal of equipment	- 0 -	(12,570)	- 0 -	(12,570)	(12,570)
Net assets released from restrictions	<u>16,233,465</u>	<u>(10,110,904)</u>	<u>(6,122,561)</u>	<u>(16,233,465)</u>	<u>- 0 -</u>
Total revenues, gains, and other support	<u>16,476,692</u>	<u>1,106,220</u>	<u>13,073</u>	<u>1,119,293</u>	<u>17,595,985</u>
Expenses					
Program services	14,537,375	- 0 -	- 0 -	- 0 -	14,537,375
Management and general	1,717,707	- 0 -	- 0 -	- 0 -	1,717,707
Fundraising	<u>189,641</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>189,641</u>
Total expenses	<u>16,444,723</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>16,444,723</u>
Changes in net assets	31,969	1,106,220	13,073	1,119,293	1,151,262
Net assets, beginning of year	<u>834,237</u>	<u>2,405,652</u>	<u>242,325</u>	<u>2,647,977</u>	<u>3,482,214</u>
Net assets, end of year	<u>\$ 866,206</u>	<u>\$ 3,511,872</u>	<u>\$ 255,398</u>	<u>\$ 3,767,270</u>	<u>\$ 4,633,476</u>

The accompanying notes are an integral part of this financial statement.

Legal Aid of NorthWest Texas
 Statements of Cash Flows
 For the Years Ended December 31, 2007 and 2006

EXHIBIT D

	<u>2007</u>	<u>2006</u>
Cash flow from operating activities:		
Change in net assets	(\$ 1,471,784)	\$ 1,151,262
Adjustments to reconcile change in net cash provided by operating activities		
Depreciation	174,758	168,893
(Increase) decrease in accounts receivable	46,874 (48,215)
(Increase) in due from agencies	(34,775) (63,178)
(Increase) decrease in prepaid expenses	85,504 (80,510)
(Decrease) increase in accounts payable	151,633 (77,941)
Increase in accrued expenses	95,921	25,177
(Decrease) in due to agencies	(457,907) (644,312)
Loss on disposal of assets	<u>195,760</u>	<u>12,570</u>
Net cash provided by (used in) operating activities	<u>(1,214,016)</u>	<u>443,746</u>
 Cash flows from investing activities:		
Purchase of fixed assets	<u>(751,102)</u>	<u>(419,226)</u>
Net cash (used in) investing activities	<u>(751,102)</u>	<u>(419,226)</u>
 Cash flows from financing activities:		
Proceeds from long-term borrowing	<u>3,000,000</u>	<u>- 0 -</u>
Net cash provided by financing activities	<u>3,000,000</u>	<u>- 0 -</u>
 Net increase in cash and cash equivalents	1,034,882	24,520
Cash and cash equivalents, beginning of year	<u>2,999,672</u>	<u>2,975,152</u>
Cash and cash equivalents, end of year	<u>\$ 4,034,554</u>	<u>\$ 2,999,672</u>

The accompanying notes are an integral part of these financial statements.

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Legal Aid of NorthWest Texas
Statement of Functional Expenses
For the Year Ended December 31, 2007

EXHIBIT E

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Lawyers salaries and wages	\$ 5,565,625	\$ 300,880	\$ - 0 -	\$ 5,866,505
Non-lawyers salaries and wages	2,355,581	710,346	119,824	3,185,751
Payroll taxes	587,402	74,051	9,109	670,562
Fringe benefits	<u>1,997,218</u>	<u>276,790</u>	<u>32,031</u>	<u>2,306,039</u>
Total personnel expenses	<u>10,505,826</u>	<u>1,362,067</u>	<u>160,964</u>	<u>12,028,857</u>
Other expenses				
Donated services	4,512,548	- 0 -	- 0 -	4,512,548
Contract services	249,956	106,959	- 0 -	356,915
Travel and training	252,868	100,728	1,688	355,284
Occupancy	621,212	109,741	- 0 -	730,953
Purchase/educational materials	370,473	42,699	1,120	414,292
Wide area network	117,991	3,291	- 0 -	121,282
Rent or lease of equipment	6,908	866	- 0 -	7,774
Maintenance and repairs	139,714	37,765	- 0 -	177,479
Depreciation and amortization of property and equipment	169,732	5,026	- 0 -	174,758
Office supplies	206,583	41,631	3,196	251,410
Printing	23,319	2,775	13,874	39,968
Postage and freight	111,658	18,509	93	130,260
Telephone	196,503	21,395	- 0 -	217,898
Advertising	6,052	2,149	1,144	9,345
Insurance	36,966	881	- 0 -	37,847
Subscription and dues	43,629	4,655	- 0 -	48,284
Recruiting	23,931	5,603	386	29,920
Litigation and ESG rent	92,566	255	- 0 -	92,821
Other direct expenses	<u>523</u>	<u>5,564</u>	<u>- 0 -</u>	<u>6,087</u>
Total other expenses	<u>7,183,132</u>	<u>510,492</u>	<u>21,501</u>	<u>7,715,125</u>
Total expenses	<u>\$17,688,958</u>	<u>\$ 1,872,559</u>	<u>\$ 182,465</u>	<u>\$ 19,743,982</u>

The accompanying notes are an integral part of this financial statement.

Legal Aid of NorthWest Texas
Statement of Functional Expenses
For the Year Ended December 31, 2006

EXHIBIT F

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Lawyers salaries and wages	\$ 4,562,707	\$ 310,771	\$ 46,744	\$ 4,920,222
Non-lawyers salaries and wages	1,920,526	716,636	89,685	2,726,847
Payroll taxes	481,369	74,385	10,437	566,191
Fringe benefits	<u>1,367,288</u>	<u>152,866</u>	<u>35,662</u>	<u>1,555,816</u>
Total personnel expenses	<u>8,331,890</u>	<u>1,254,658</u>	<u>182,528</u>	<u>9,769,076</u>
Other expenses				
Donated services	4,243,341	- 0 -	- 0 -	4,243,341
Contract services	90,113	68,542	- 0 -	158,655
Travel and training	213,737	71,585	3,503	288,825
Occupancy	508,449	92,202	- 0 -	600,651
Purchase/educational materials	141,701	44,033	- 0 -	185,734
Wide area network	108,597	4,999	- 0 -	113,596
Rent or lease of equipment	12,787	360	- 0 -	13,147
Maintenance and repairs	122,503	29,570	- 0 -	152,073
Depreciation and amortization of property and equipment	167,700	1,193	- 0 -	168,893
Office supplies	207,977	69,641	1,085	278,703
Printing	4,320	440	1,308	6,068
Postage and freight	85,615	10,517	84	96,216
Telephone	171,065	22,871	- 0 -	193,936
Advertising	4,960	494	- 0 -	5,454
Insurance	34,868	8,194	- 0 -	43,062
Subscription and dues	30,630	15,856	- 0 -	46,486
Recruiting	8,158	18,808	1,133	28,099
Litigation and ESG rent	48,592	- 0 -	- 0 -	48,592
Other direct expenses	<u>372</u>	<u>3,744</u>	<u>- 0 -</u>	<u>4,116</u>
Total other expenses	<u>6,205,485</u>	<u>463,049</u>	<u>7,113</u>	<u>6,675,647</u>
Total expenses	<u>\$14,537,375</u>	<u>\$ 1,717,707</u>	<u>\$ 189,641</u>	<u>\$16,444,723</u>

The accompanying notes are an integral part of this financial statement.

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

1. Summary of Significant Accounting Policies

In fulfilling its responsibility for the preparation of the Organization's financial statements and disclosures, management selects accounting principles generally accepted by the United States of America and adopts methods for their application. The application of accounting principles requires the estimating, matching and timing of revenue and costs in the determination of support and expenditures. It is also necessary for management to determine, measure, allocate and make certain assumptions regarding resources and obligations within the financial process according to these principles. Below is a summary of certain significant accounting policies selected by management.

A. Accrual Basis

The accounts of the Organization are maintained on the accrual basis, and accordingly reflect all significant receivables, payables, and other liabilities. The Statement of Financial Activities is a statement of the various financial activities and changes to net assets during the current reporting period. It does not purport to represent the results of operations nor of net income or loss for the period since the primary objective of the Organization is to provide professional legal assistance in non-criminal matters to persons financially unable to afford legal assistance. The Organization records income from grants in the period in which the expenditures are incurred in compliance with the terms of the grant.

B. Financial Statement Presentation

The 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 financial 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 (LANWT) 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:

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (cont'd)

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, 2007 and 2006, temporarily restricted funds specifically classified as property, plant and equipment that have been purchased utilizing the following funds:

<u>Temporarily Restricted Fund</u>	<u>2007</u>	<u>2006</u>
Legal Services Corporation (LSC)	\$ 1,698,880	\$ 1,614,512
Interest on Lawyers Trust Accounts (IOLTA)	481,126	182,784
Dallas Bar Association	<u>49,631</u>	<u>53,448</u>
Total	<u>\$ 2,229,637</u>	<u>\$ 1,850,744</u>

C. Statement of Cash Flows

The Statement of Cash Flows is presented using the "indirect method". For purposes of this statement, the Organization considers as cash all cash on hand, cash in checking accounts, money market funds and other similar instruments with initial maturities of three months or less.

D. Property and Equipment

Property and equipment are recorded at cost, if purchased, or at estimated market value at date of receipt if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of the assets of five to thirty years. The cost of maintenance and repairs is charged to expense as incurred.

Property acquired with LSC, IOLTA, Basic Civil Legal Service Program (BCLS), and Crime Victims Civil Legal Services (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.

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (cont'd)

LANWT capitalizes all subscription service expenditures for the law library and expenditures in excess of \$5,000 for property and equipment which have a useful life of one year or more. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the assets.

The following lives have been assigned to the capitalized assets:

Buildings	30 years
Building improvements	10 years
Furniture, fixtures and equipment	5 years
Law library	10 years

The depreciation expense for 2007 and 2006 was \$174,758 and \$168,893, respectively.

E. Bad Debts

Bad debts are accounted for using the reserve method. At December 31, 2007 and 2006, all receivables were considered collectible and no reserve for bad debts was necessary. Management periodically reviews accounts receivable on an account by account basis concentrating on accounts more than 90 days old. Management considers the Organization's past history with the consumer/grantor, current contact information and the size of the account in evaluating the reserve requirements. Accounts are written off when it appears collection efforts will not be successful.

F. Accounting Estimates and Assumptions

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates and assumptions primarily relate to valuation, funding continuation and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts. Significant estimates and assumptions are the valuation of accounts receivable, accrued expenses, donated services, allocation of functional expenses and lives used to depreciate fixed assets.

Legal Aid of North West Texas
Notes to Financial Statements
December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (cont'd)

G. Allocation of Functional Expenses

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 general expenses on the basis of periodic time and expense studies. 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.

H. Income Taxes

LANWT is recognized as 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. 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. 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 Financial 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.

J. Schedule of Expenditures of Federal/State Funds

The accompanying schedule of expenditures of federal/state awards includes the federal/state grant activities of the Organization 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.

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (cont'd)

K. Compensated Absences

Employees of the Organization earn paid vacation and sick days based on length of service. The Organization's policy is to recognize the costs of compensated absences when leave is actually used by employees. It is impracticable to estimate the amount of compensation for future employee absences. At year-end, vacation leave for all employees automatically converts to administrative leave and accordingly, no liability is placed on this leave since there is no cash value to the leave. The maximum amount of vacation leave a separated employee can cash out is three weeks, although all separated employees are not automatically eligible for this benefit. Similarly, sick leave has no cash value.

2. History and Organization

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. Its service area covers 114 counties in the West and North Central Texas.

3. Due from Agencies

The Due from Agencies balance consists of the excess of grant/contract expenses over revenues received from government and private agencies as follows:

	2007	2006
Emergency Shelter Grant	\$ 50,249	\$ 29,837
Community Services Fellowship	17,910	12,223
District Attorney's Office	5,218	8,783
Department of Housing and Urban Development	21,092	22,139
Internal Revenue Service	15,589	3,758
Office of Attorney General	46,000	29,811
OVAG	11,750	26,218
TEAJF - Domestic Violence	- 0 -	2,000
City of Plano	- 0 -	4,517
Family Place	8,330	4,163

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

3. Due from Agencies (cont'd)

	<u>2007</u>	<u>2006</u>
Violence Against Women	- 0 -	152,600
VOCA	111,454	104,746
LSC-Techonology Innovation Grant	25,000	- 0 -
Texas Equal Access to Justice Foundation	226,194	109,060
United Way	4,500	15,555
Stop - Violence Against Women	56,365	36,498
City of McKinney	- 0 -	3,050
Interest	<u>82</u>	<u>- 0 -</u>
Total	<u>\$ 599,733</u>	<u>\$ 564,958</u>

4. Due to Agencies

The Due to Agencies balance consists of the excess of grant/contract revenues over expenses received from government and private agencies as follows:

	<u>2007</u>	<u>2006</u>
State Bar of Texas	\$ - 0 -	\$ 4,456
City of Plano	- 0 -	2,914
Texas Equal Access to Justice Foundation	- 0 -	405,153
United Way	1,425	742
MK Brown	- 0 -	5,000
Payne	- 0 -	5,000
LSC - Technology Initiative Grant	- 0 -	2,500
Abel Hanger	<u>- 0 -</u>	<u>33,567</u>
Total	<u>\$ 1,425</u>	<u>\$ 459,332</u>

Legal Aid of North West Texas
Notes to Financial Statements
December 31, 2007 and 2006

5. Notes Payable

On December 20, 2007, the Organization entered into a \$3,000,000 promissory note with Splendora Cultural Education Facilities Finance Corporation who then assigned the note to Frost National Bank. Principal and interest varies and shall be due and payable beginning on January 20, 2008 until December 20, 2017 when the remaining unpaid principal shall become due and payable. Interest is computed at a per annum rate equal to the lesser of a rate equal to 65% of the LIBOR plus 1.25% per annum.

The note is secured by a Deed of Trust on certain property and a pledge agreement. Minimum maturities of this note are as follows:

2008	\$	91,650
2009		96,518
2010		101,220
2011		106,179
2012		110,970
Thereafter		<u>2,493,463</u>
Total	\$	<u>3,000,000</u>

6. Summary of Major Funding Sources

The funding sources detailed below represent 65% and 63% of the Organization's total support as of December 31, 2007 and 2006, respectively.

	2007	2006
Legal Services Corporation	\$ 7,166,965	\$ 6,824,814
Texas Equal Access to Justice Foundation		
IOLTA	\$ 1,258,084	\$ 310,174
BCLS	\$ 2,422,470	\$ 3,060,597
CVCLS	\$ 511,448	\$ 510,686
United Way	\$ 438,838	\$ 465,241

7. 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

Legal Aid of North West Texas
Notes to Financial Statements
December 31, 2007 and 2006

7. Donated Services (cont'd)

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. For the years ending, December 31, 2007 and 2006, volunteers are estimated to have donated approximately 38,531 and 35,737 hours and management estimates the value of volunteer services to be \$4,512,548 and \$4,243,341, respectively.

8. Retirement Plan

A. In 2005, the Organization sponsored a defined contribution pension plan. Included in employee benefit costs is \$827,531 and \$435,808 for 2007 and 2006, respectively. In 2007 and 2006, LANWT contributed 6% of the employee's regular monthly salary for all management, administrative, and LANWT union employees. There are no past service costs associated with the plan. Employees are fully vested after 5 years. In 2007, the Organization contributed an additional \$315,000 to this plan in excess of the 6%.

B. In 2007 and 2006, the Organization made matching contributions up to 3% of the employee's contribution for management and administrative staff to a 401(k) Plan. There are no past service costs associated with the plan, and employees are fully vested for all contributions made on their behalf.

For the years ended December 31, 2007 and 2006, the Organization made contributions to the 401(k) Plan in the amount of \$47,677 and \$47,532, respectively.

9. Credit Concentration

A. The major funding sources for LANWT include Legal Services Corporation (LSC), Texas Equal Access to Justice, the Texas Access to Justice Foundation and the United Way.

These sources comprise approximately 65% and 63% of the total funding received by the Organization in the years ended December 31, 2007 and 2006, respectively excluding in-kind donations.

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 met. 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.

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

9. Credit Concentration (cont'd)

Texas Equal Access to Justice Foundation provides LANWT with 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 BCLS and 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 CVCLS grant was established to provide victim related civil legal services to victims of crime. LANWT is required to work collaboratively with the Institute of Cognitive Development Family Shelter to provide civil legal services to victims of domestic violence. The same accounting policies apply to the BCLS and CVCLS grants.

During 2007 and 2006, 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.

- B. The Organization periodically maintains balances in financial institutions in excess of federally insured amounts. As of December 31, 2007 and 2006, approximately \$4,030,168 and \$3,191,040 was maintained in excess of federally insured amounts, respectively.

10. Commitments and Contingencies

The Organization leases facilities used in its operations. The following is a schedule by years of future minimum rental payments required under operating leases in excess of one year as of December 31, 2007:

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

10. Commitments and Contingencies (cont'd)

<u>Year Ended December 31,</u>	<u>Amount</u>
2008	\$ 278,880
2009	154,031
2010	103,187
2011	80,191
2012	<u>40,377</u>
Total	<u>\$ 656,666</u>

Rent expenses for 2007 and 2006 were \$514,071 and \$420,827.

The Organization has no legal claims arising from the representation of clients. Additionally, the Organization has professional liability insurance to cover claims. Management is of the opinion that there are no legal matters that warrant a provision in the financial statements. Therefore, 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 collectibility of any related receivable at December 31, 2007 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.

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.

The Organization entered into a construction agreement dated November 14, 2007, for the construction of their Fort Worth building. The guaranteed maximum cost per the agreement is \$3,711,828. As of December 31, 2007, the construction had not yet begun.

11. Collective Bargaining Agreement

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

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

12. LSC Net Assets Analysis and Computation

<u>LSC Net Assets Analysis and Computation</u>	<u>2007</u>	<u>2006</u>
LSC Grant - Basic Field	\$ 7,139,465	\$ 6,802,314
Derivative income - interest Income	<u>123,093</u>	<u>161,539</u>
Total LSC Grant Support	<u>\$ 7,262,558</u>	<u>\$ 6,963,853</u>
<u>LSC Net Assets subject to 45 CFR 1628</u>		
Ending LSC Net Assets Percentage of LSC Support (3.75% for 2007 and 27.25% for 2006)	\$ 272,101	\$ 1,897,360
Allowable Carryover - 10%	<u>726,256</u>	<u>696,385</u>
Excess subject to recapture	<u>\$ - 0 -</u>	<u>\$ 1,200,975</u>

The Organization was approved to spend \$1,044,578 of the excess during 2007. The remaining excess of \$156,397 was repaid to LSC during 2007. As of December 31, 2007, all of the approved excess had been spent as follows:

Salaries - Attorneys	\$ 290,401
Salaries - Other Professionals	39,218
Salaries - Paralegals	51,242
Salaries - Support	137,792
Payroll Taxes	39,700
Retirement	<u>262,377</u>
Total Personnel	820,730
Training - Attorneys	6,562
Training - Other Professionals	7,000
Building Maintenance	16,000
Purchases - Building	35,000
Purchases - Equipment	139,830
Purchases - \$1k - \$5k	12,928
Computer Under \$1k	1,196
R & M - Software	5,245
Office Supplies	35
Postage	<u>52</u>
Total Non Personnel	<u>223,848</u>
Total Expenses	<u>\$ 1,044,578</u>

Legal Aid of NorthWest Texas
Notes to Financial Statements
December 31, 2007 and 2006

13. Cash for Building Construction

Included in cash and cash equivalents is \$2,942,716 which is restricted to the construction of the Fort Worth building.

Legal Aid of NorthWest Texas
Schedule of Expenditures of Federal/State Awards
For the Year Ended December 31, 2007

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development			
Supportive Housing Program	14.235	TX01B600034	\$ 174,651
Supportive Housing Program	14.235	TX01B601031	17,851
Supportive Housing Program	14.235	TX01B411002	57,842
Emergency Shelter Grant	14.231	CTGH183959 and CTGH183971	<u>123,495</u>
Total U.S. Department of Housing and Urban Development			<u>373,839</u>
U.S. Department of Treasury			
Internal Revenue Service			
Low Income Taxpayers Clinic	21.008	2007137	<u>90,000</u>
Total U.S. Department of Treasury			<u>90,000</u>
Legal Service Corporation			
Basic Field Grant		744050	7,139,465
Technology Initiative Grant		4466	20,000
Technology Initiative Grant		4467	<u>7,500</u>
Total Legal Services Corporation			<u>7,166,965</u>
U.S. Department of Justice			
Passed through the Governor's Criminal Justice Division			
Victims of Crime Act-Rural Safe at Home Project	16.575	VA-06-V30-1696404	379,212
Stop Violence Against Women - Rural Safe at Home Project	16.588	WF-05-V30-18471-03	244,258
Passed through Office of Justice			
Violence Against Women	16.558	WL-AX-0030	30,146
Passed through Dallas County District Attorney			
Collaborative Domestic Violence Project	16.590	VA-06-V30-15785-06	<u>12,488</u>
Total U.S. Department of Justice			<u>666,104</u>

Legal Aid of NorthWest Texas
Schedule of Expenditures of Federal/State Awards
For the Year Ended December 31, 2007

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services			
Passed through State of Texas Office of Attorney General			
Access and Visitation Grant	93.597	07-C0212	51,202
Access and Visitation Grant	93.597	07-C0211	<u>164,587</u>
Total U.S. Department of Health and Human Services			<u>215,789</u>
Total Federal Funding			<u>8,512,697</u>
State Funding			
Other Victims Assistance Grant			
Crime Victims Legal Aid Project	N/A	1259	49,226
Legal Aid - OVAG Project	N/A	802991	<u>16,474</u>
Total State Funding			<u>65,700</u>
Total Expenditures of Federal/State Awards			<u>\$ 8,578,397</u>

The accompany notes are an integral part of this schedule.

Legal Aid of NorthWest Texas
Private Attorney Involvement-
Schedule of Expenditures
For the Year Ended December 31, 2007

Personnel expenses	
Salaries and wages	
Lawyers	\$ 56,891
Non-lawyers	569,940
Payroll taxes	45,993
Fringe benefits	<u>167,456</u>
Total personnel expenses	<u>840,280</u>
Other expenses	
Contract services	33,655
Travel and training	37,251
Space	77,635
Educational materials	16,755
Legal research	10,356
Rent or lease of equipment	641
Maintenance and repairs	17,897
Office supplies	25,302
Printing	21,135
Postage and freight	26,895
Telephone	29,012
Advertising	609
Insurance	4,433
Recruiting	19,039
Litigation	2,372
Other direct expenses	<u>351</u>
Total other expenses	<u>323,338</u>
Total expenses	<u>\$ 1,163,618</u>

Note: Private Attorney Involvement expenses represent 15.95% of the Legal Services Corporation Grant Award in 2007.

The accompanying notes are an integral part of this schedule.

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Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	Temporarily Restricted			Total
	LSC			
	NON-PAI	PAI	TIG	
Support and revenue				
Grants and contracts	\$ 7,139,465	\$ -	\$ 27,500	\$ 7,166,965
Interest	123,093	-	-	123,093
Donations	-	-	-	-
Donated services	4,512,548	-	-	4,512,548
Loss on property	(195,760)	-	-	(195,760)
Total support and revenue	11,579,346	-	27,500	11,606,846
Personnel expenses				
Salaries and wages				
Lawyers	1,948,767	167	-	1,948,934
Non-Lawyers	1,951,863	461,389	-	2,413,252
Payroll Taxes	308,231	38,361	-	346,592
Fringe Benefits	1,349,304	138,120	-	1,487,424
Total personnel expenses	5,558,165	638,037	-	6,196,202
Other expenses				
Donated services	4,512,548	-	-	4,512,548
Contract services	256,053	29,236	27,500	312,789
Travel and training	293,905	35,540	-	329,445
Space	492,076	42,147	-	534,223
Purchases/educ. materials	283,892	11,777	-	295,669
Wide area network	95,216	8,071	-	103,287
Rent or lease of equipment	7,133	417	-	7,550
Maintenance & Repairs	155,398	11,179	-	166,577
Office Supplies	171,880	20,264	-	192,144
Printing	449	1,570	-	2,019
Postage and freight	95,803	3,877	-	99,680
Telephone	138,383	8,109	-	146,492
Advertising	7,338	609	-	7,947
Insurance	31,390	1,678	-	33,068
Subscription and dues	-	-	-	-
Recruiting	10,385	19,039	-	29,424
Litigation	12,263	2,372	-	14,635
Other direct expenses	5,736	351	-	6,087
Total other expenses	6,569,848	196,236	27,500	6,793,584
Total expenses before depr.	12,128,013	834,273	27,500	12,989,786
Excess (deficiency) of support and revenue over expenses before depreciation	(548,667)	(834,273)	-	(1,382,940)
Depreciation and amortization of property and equipment	160,060	-	-	160,060
Excess (deficiency) of support and revenue over expenses after depreciation	\$ (708,727)	\$ (834,273)	\$ -	\$ (1,543,000)

The accompanying notes are an integral part of this statement.

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	Non-LSC				Total IOLTA
	IOLTA	IOLTA- NAACP	IOLTA- HCC	IOLTA- PAI	
Support and revenue					
Grants and contracts	\$ 1,210,686	\$ 17,254	\$ 25,365	\$ 4,779	\$ 1,258,084
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>1,210,686</u>	<u>17,254</u>	<u>25,365</u>	<u>4,779</u>	<u>1,258,084</u>
Personnel expenses					
Salaries and wages					
Lawyers	298,432	-	17,540	-	315,972
Non-Lawyers	254,196	13,473	2,265	3,692	273,626
Payroll Taxes	35,958	1,033	1,396	283	38,670
Fringe Benefits	87,299	2,748	4,164	804	95,015
Total personnel expenses	<u>675,885</u>	<u>17,254</u>	<u>25,365</u>	<u>4,779</u>	<u>723,283</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	25,470	-	-	-	25,470
Travel and training	1,040	-	-	-	1,040
Space	81,628	-	-	-	81,628
Purchases/educ. materials	66,024	-	-	-	66,024
Wide area network	-	-	-	-	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	218	-	-	-	218
Office Supplies	10,214	-	-	-	10,214
Printing	-	-	-	-	-
Postage and freight	1,711	-	-	-	1,711
Telephone	-	-	-	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Subscription and dues	48,046	-	-	-	48,046
Recruiting	-	-	-	-	-
Litigation	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>234,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,351</u>
Total expenses before depr.	<u>910,236</u>	<u>17,254</u>	<u>25,365</u>	<u>4,779</u>	<u>957,634</u>
Excess (deficiency) of support and revenue over expenses before depreciation	300,450	-	-	-	300,450
Depreciation and amortization of property and equipment	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ 300,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,450</u>

Legal Aid of North West Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	BCLS	BCLS NAACP	BCLS HCC	BCLS Hotline	BCLS PAI
Support and revenue					
Grants and contracts	\$ 2,263,013	\$ 18,810	\$ 33,405	\$ 56,258	\$ 50,984
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>2,263,013</u>	<u>18,810</u>	<u>33,405</u>	<u>56,258</u>	<u>50,984</u>
Personnel expenses					
Salaries and wages					
Lawyers	1,657,282	-	22,989	52,368	1,176
Non-Lawyers	59,413	13,852	2,760	-	37,966
Payroll Taxes	131,890	1,062	1,844	-	2,989
Fringe Benefits	297,696	2,838	5,536	-	8,853
Total personnel expenses	<u>2,146,281</u>	<u>17,752</u>	<u>33,129</u>	<u>52,368</u>	<u>50,984</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	-	-	-	-	-
Travel and training	11,498	485	276	-	-
Space	70,711	-	-	-	-
Purchases/educ. materials	-	-	-	-	-
Wide area network	6,576	-	-	-	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-
Office Supplies	13,392	333	-	-	-
Printing	-	-	-	-	-
Postage and freight	27	105	-	-	-
Telephone	12,504	-	-	3,890	-
Advertising	-	-	-	-	-
Insurance	2,024	-	-	-	-
Subscription and dues	-	25	-	-	-
Recruiting	-	110	-	-	-
Litigation	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>116,732</u>	<u>1,058</u>	<u>276</u>	<u>3,890</u>	<u>-</u>
Total expenses before depr.	<u>2,263,013</u>	<u>18,810</u>	<u>33,405</u>	<u>56,258</u>	<u>50,984</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	Total BCLS	CVCLS	City Of Dallas-ESG	City Of Plano	DBA/CSF
Support and revenue					
Grants and contracts	\$ 2,422,470	\$ 551,448	\$ 123,495	\$ 4,892	\$ 84,033
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>2,422,470</u>	<u>551,448</u>	<u>123,495</u>	<u>4,892</u>	<u>84,033</u>
Personnel expenses					
Salaries and wages					
Lawyers	1,733,815	398,067	39,908	4,116	55,534
Non-Lawyers	113,991	17,027	-	-	12,027
Payroll Taxes	137,785	31,754	3,003	212	5,167
Fringe Benefits	314,923	91,009	7,398	564	11,305
Total personnel expenses	<u>2,300,514</u>	<u>537,857</u>	<u>50,309</u>	<u>4,892</u>	<u>84,033</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	-	-	-	-	-
Travel and training	12,259	1,935	-	-	-
Space	70,711	8,903	-	-	-
Purchases/educ. materials	-	-	-	-	-
Wide area network	6,576	-	-	-	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-
Office Supplies	13,725	1,855	-	-	-
Printing	-	-	-	-	-
Postage and freight	132	-	-	-	-
Telephone	16,394	898	-	-	-
Advertising	-	-	-	-	-
Insurance	2,024	-	-	-	-
Subscription and dues	25	-	-	-	-
Recruiting	110	-	-	-	-
Litigation	-	-	73,186	-	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>121,956</u>	<u>13,591</u>	<u>73,186</u>	<u>-</u>	<u>-</u>
Total expenses before depr.	<u>2,422,470</u>	<u>551,448</u>	<u>123,495</u>	<u>4,892</u>	<u>84,033</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of North West Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	DA	Family Place	VAWA	DA- VAWA	STOP VAWA
Support and revenue					
Grants and contracts	\$ 12,488	\$ 50,000	\$ 30,146	\$ 5,218	\$ 244,258
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>12,488</u>	<u>50,000</u>	<u>30,146</u>	<u>5,218</u>	<u>244,258</u>
Personnel expenses					
Salaries and wages					
Lawyers	9,911	48,856	27,532	4,014	187,183
Non-Lawyers	-	-	-	-	-
Payroll Taxes	758	764	-	307	14,724
Fringe Benefits	1,819	380	-	897	40,669
Total personnel expenses	<u>12,488</u>	<u>50,000</u>	<u>27,532</u>	<u>5,218</u>	<u>242,576</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	-	-	-	-	-
Travel and training	-	-	2,246	-	478
Space	-	-	-	-	-
Purchases/educ. materials	-	-	-	-	1,175
Wide area network	-	-	-	-	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-
Office Supplies	-	-	322	-	-
Printing	-	-	-	-	-
Postage and freight	-	-	-	-	29
Telephone	-	-	46	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Subscription and dues	-	-	-	-	-
Recruiting	-	-	-	-	-
Litigation	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>-</u>	<u>-</u>	<u>2,614</u>	<u>-</u>	<u>1,682</u>
Total expenses before depr.	<u>12,488</u>	<u>50,000</u>	<u>30,146</u>	<u>5,218</u>	<u>244,258</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	HUD- Homeless	HUD- Amarillo	HUD Benefits	Total HUD	IRS
Support and revenue					
Grants and contracts	\$ 174,761	\$ 57,842	\$ 17,851	\$ 250,454	\$ 90,000
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>174,761</u>	<u>57,842</u>	<u>17,851</u>	<u>250,454</u>	<u>90,000</u>
Personnel expenses					
Salaries and wages					
Lawyers	120,175	43,242	14,615	178,032	81,134
Non-Lawyers	15,392	2,173	825	18,390	-
Payroll Taxes	10,249	3,474	1,216	14,939	2,316
Fringe Benefits	27,743	9,751	1,195	38,689	4,948
Total personnel expenses	<u>173,559</u>	<u>58,640</u>	<u>17,851</u>	<u>250,050</u>	<u>88,398</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	-	-	-	-	-
Travel and training	1,202	384	-	1,586	1,602
Space	-	-	-	-	-
Purchases/educ. materials	-	-	-	-	-
Wide area network	-	(408)	-	(408)	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-
Office Supplies	-	(438)	-	(438)	-
Printing	-	-	-	-	-
Postage and freight	-	(336)	-	(336)	-
Telephone	-	-	-	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Subscription and dues	-	-	-	-	-
Recruiting	-	-	-	-	-
Litigation	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>1,202</u>	<u>(798)</u>	<u>-</u>	<u>404</u>	<u>1,602</u>
Total expenses before depr.	<u>174,761</u>	<u>57,842</u>	<u>17,851</u>	<u>250,454</u>	<u>90,000</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	United Way	OAG Hotline	OAG	TX Youth Commiss	OVAG Cedar Hill
Support and revenue					
Grants and contracts	\$ 438,839	\$ 164,587	\$ 51,202	\$ 300	\$ 16,474
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>438,839</u>	<u>164,587</u>	<u>51,202</u>	<u>300</u>	<u>16,474</u>
Personnel expenses					
Salaries and wages					
Lawyers	231,669	124,873	40,107	300	13,265
Non-Lawyers	117,405	-	-	-	-
Payroll Taxes	22,973	3,911	2,842	-	1,012
Fringe Benefits	66,666	-	7,920	-	2,197
Total personnel expenses	<u>438,713</u>	<u>128,784</u>	<u>50,869</u>	<u>300</u>	<u>16,474</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	-	1,236	-	-	-
Travel and training	126	350	333	-	-
Space	-	-	-	-	-
Purchases/educ. materials	-	-	-	-	-
Wide area network	-	-	-	-	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-
Office Supplies	-	-	-	-	-
Printing	-	-	-	-	-
Postage and freight	-	1,053	-	-	-
Telephone	-	33,164	-	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Subscription and dues	-	-	-	-	-
Recruiting	-	-	-	-	-
Litigation	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>126</u>	<u>35,803</u>	<u>333</u>	<u>-</u>	<u>-</u>
Total expenses before depr.	<u>438,839</u>	<u>164,587</u>	<u>51,202</u>	<u>300</u>	<u>16,474</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of North West Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	OVAG Lubbock	Total OVAG	CDBG McKinney	VOCA	State Bar
Support and revenue					
Grants and contracts	\$ 49,226	\$ 65,700	\$ 2,950	\$ 379,212	\$ 59,956
Interest	-	-	-	-	-
Donations	-	-	-	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>49,226</u>	<u>65,700</u>	<u>2,950</u>	<u>379,212</u>	<u>59,956</u>
Personnel expenses					
Salaries and wages					
Lawyers	37,961	51,226	2,316	285,401	-
Non-Lawyers	-	-	-	-	3,685
Payroll Taxes	3,073	4,085	169	21,423	282
Fringe Benefits	8,192	10,389	465	60,797	33
Total personnel expenses	<u>49,226</u>	<u>65,700</u>	<u>2,950</u>	<u>367,621</u>	<u>4,000</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	-	-	-	-	-
Travel and training	-	-	-	-	-
Space	-	-	-	-	-
Purchases/educ. materials	-	-	-	2,035	41,866
Wide area network	-	-	-	9,543	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	3,967
Office Supplies	-	-	-	-	3,826
Printing	-	-	-	-	-
Postage and freight	-	-	-	13	1,297
Telephone	-	-	-	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Subscription and dues	-	-	-	-	-
Recruiting	-	-	-	-	-
Litigation	-	-	-	-	5,000
Other direct expenses	-	-	-	-	-
Total other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,591</u>	<u>55,956</u>
Total expenses before depr.	<u>49,226</u>	<u>65,700</u>	<u>2,950</u>	<u>379,212</u>	<u>59,956</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-
Depreciation and amortization of property and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	Women's Advoc	Abel Hanger	Restricted Misc	Total Misc Restricted	EQUAL ACCESS
Support and revenue					
Grants and contracts	\$ -	\$ 33,567	\$ 10,000	\$ 103,523	\$ -
Interest	-	-	-	-	-
Donations	55,965	-	-	55,965	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>55,965</u>	<u>33,567</u>	<u>10,000</u>	<u>159,488</u>	<u>-</u>
Personnel expenses					
Salaries and wages					
Lawyers	53,551	34,614	8,250	96,415	-
Non-Lawyers	-	-	-	3,685	-
Payroll Taxes	3,172	2,590	528	6,572	-
Fringe Benefits	7,028	6,363	1,222	14,646	-
Total personnel expenses	<u>63,751</u>	<u>43,567</u>	<u>10,000</u>	<u>121,318</u>	<u>-</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	500	-	-	500	-
Travel and training	470	-	-	470	-
Space	-	-	-	-	-
Purchases/educ. materials	-	-	1,426	43,292	-
Wide area network	-	-	-	-	-
Rent or lease of equipment	-	-	-	-	-
Maintenance & Repairs	-	-	-	3,967	-
Office Supplies	998	-	-	4,824	207
Printing	100	-	-	100	4,410
Postage and freight	938	-	-	2,235	2,633
Telephone	-	-	-	-	-
Advertising	253	-	-	253	-
Insurance	-	-	-	-	-
Subscription and dues	-	-	-	-	-
Recruiting	-	-	-	-	-
Litigation	-	-	-	5,000	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>3,259</u>	<u>-</u>	<u>1,426</u>	<u>60,641</u>	<u>7,250</u>
Total expenses before depr.	<u>67,010</u>	<u>43,567</u>	<u>11,426</u>	<u>181,959</u>	<u>7,250</u>
Excess (deficiency) of support and revenue over expenses before depreciation	(11,045)	(10,000)	(1,426)	(22,471)	(7,250)
Depreciation and amortization of property and equipment	<u>-</u>	<u>-</u>	<u>3,818</u>	<u>3,818</u>	<u>-</u>
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ (11,045)</u>	<u>\$ (10,000)</u>	<u>\$ (5,244)</u>	<u>\$ (26,289)</u>	<u>\$ (7,250)</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	Unrestricted			
	DBA- JT Campaign	Tarrant County	Fundraising General	Unrestricted General
Support and revenue				
Grants and contracts	\$ 245,328	\$ 15,600	\$ -	\$ 15,160
Interest	-	-	-	-
Donations	-	-	-	-
Donated services	-	-	-	-
Loss on property	-	-	-	-
Total support and revenue	<u>245,328</u>	<u>15,600</u>	<u>-</u>	<u>15,160</u>
Personnel expenses				
Salaries and wages				
Lawyers	1,189	-	-	-
Non-Lawyers	96,525	-	119,824	-
Payroll Taxes	2,465	-	9,109	20
Fringe Benefits	18,031	-	32,031	56
Total personnel expenses	<u>118,210</u>	<u>-</u>	<u>160,964</u>	<u>76</u>
Other expenses				
Donated services	-	-	-	-
Contract services	4,419	-	-	12,500
Travel and training	1,727	-	1,688	-
Space	35,488	-	-	-
Purchases/educ. materials	4,978	-	1,120	-
Wide area network	2,285	-	-	-
Rent or lease of equipment	224	-	-	-
Maintenance & Repairs	6,717	-	-	-
Office Supplies	5,039	-	3,196	20,322
Printing	19,565	-	13,874	-
Postage and freight	23,018	-	93	-
Telephone	20,903	-	-	-
Advertising	-	-	1,144	-
Insurance	2,755	-	-	-
Subscription and dues	-	-	-	213
Recruiting	-	-	386	-
Litigation	-	-	-	-
Other direct expenses	-	-	-	-
Total other expenses	<u>127,118</u>	<u>-</u>	<u>21,501</u>	<u>33,035</u>
Total expenses before depr.	<u>245,328</u>	<u>-</u>	<u>182,465</u>	<u>33,111</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	15,600	(182,465)	(17,951)
Depreciation and amortization of property and equipment	<u>2,259</u>	<u>-</u>	<u>-</u>	<u>8,620</u>
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ (2,259)</u>	<u>\$ 15,600</u>	<u>\$ (182,465)</u>	<u>\$ (26,571)</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2007

	Total Unrestricted General	GRAND TOTAL
Support and revenue		
Grants and contracts	\$ 276,088	\$ 13,776,352
Interest	-	123,093
Donations	-	55,965
Donated services	-	4,512,548
Loss on property	-	(195,760)
Total support and revenue	<u>276,088</u>	<u>18,272,198</u>
Personnel expenses		
Salaries and wages		
Lawyers	1,189	5,866,504
Non-Lawyers	216,349	3,185,752
Payroll Taxes	11,594	670,560
Fringe Benefits	50,118	2,306,041
Total personnel expenses	<u>279,250</u>	<u>12,028,857</u>
Other expenses		
Donated services	-	4,512,548
Contract services	16,919	356,914
Travel and training	3,415	355,285
Space	35,488	730,953
Purchases/educ. materials	6,098	414,293
Wide area network	2,285	121,283
Rent or lease of equipment	224	7,774
Maintenance & Repairs	6,717	177,479
Office Supplies	28,764	251,410
Printing	37,849	39,968
Postage and freight	25,744	130,261
Telephone	20,903	217,897
Advertising	1,144	9,344
Insurance	2,755	37,847
Subscription and dues	213	48,284
Recruiting	386	29,920
Litigation	-	92,821
Other direct expenses	-	6,087
Total other expenses	<u>188,904</u>	<u>7,540,368</u>
Total expenses before depr.	<u>468,154</u>	<u>19,569,225</u>
Excess (deficiency) of support and revenue over expenses before depreciation	(192,066)	(1,297,027)
Depreciation and amortization of property and equipment	<u>10,879</u>	<u>174,757</u>
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ (202,945)</u>	<u>\$ (1,471,784)</u>

Legal Aid of North West Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006

	Temporarily Restricted					IOLTA
	LSC					
	NON-PAI	PAI	Fundraising	TIG	Total	
Support and revenue						
Grants and contracts	\$ 6,802,314	\$ -	\$ -	\$ 22,500	\$ 6,824,814	\$ 186,147
Interest	161,539	-	-	-	161,539	-
Donations	-	-	-	-	-	-
Donated services	4,243,341	-	-	-	4,243,341	-
Loss on property	(12,570)	-	-	-	(12,570)	-
Total support and revenue	<u>11,194,624</u>	<u>-</u>	<u>-</u>	<u>22,500</u>	<u>11,217,124</u>	<u>186,147</u>
Personnel expenses						
Salaries and wages						
Lawyers	1,030,892	35,346	46,744	-	1,112,982	49,001
Non-Lawyers	1,510,171	412,395	89,685	-	2,012,251	35,568
Payroll Taxes	191,996	33,077	10,437	-	235,510	7,019
Fringe Benefits	624,899	74,182	35,661	-	734,742	19,493
Total personnel expenses	<u>3,357,958</u>	<u>555,000</u>	<u>182,527</u>	<u>-</u>	<u>4,095,485</u>	<u>111,081</u>
Other expenses						
Donated services	4,243,341	-	-	-	4,243,341	-
Contract services	89,232	21,611	-	22,500	133,343	14,758
Travel and training	201,260	35,624	3,503	-	240,387	187
Space	416,084	33,903	-	-	449,987	5,959
Purchases/educ. materials	146,534	4,220	-	-	150,754	-
Wide area network	34,073	6,001	-	-	40,074	-
Rent or lease of equipment	9,154	741	-	-	9,895	-
Maintenance & Repairs	125,212	10,122	-	-	135,334	-
Office Supplies	165,103	23,587	1,085	-	189,775	13
Printing	188	25	1,308	-	1,521	-
Postage and freight	82,030	4,528	84	-	86,642	-
Telephone	90,844	8,222	-	-	99,066	-
Advertising	5,010	444	-	-	5,454	-
Insurance	27,844	2,315	-	-	30,159	-
Subscription and dues	-	-	-	-	-	46,486
Recruiting	15,565	10,891	1,133	-	27,589	-
Litigation	10,585	1,292	-	-	11,877	-
Other direct expenses	3,903	213	-	-	4,116	-
Total other expenses	<u>5,665,962</u>	<u>163,739</u>	<u>7,113</u>	<u>22,500</u>	<u>5,859,314</u>	<u>67,403</u>
Total expenses before depr.	<u>9,023,920</u>	<u>718,739</u>	<u>189,640</u>	<u>22,500</u>	<u>9,954,799</u>	<u>178,484</u>
Excess (deficiency) of support and revenue over expenses before depreciation	2,170,704	(718,739)	(189,640)	-	1,262,325	7,663
Depreciation and amortization of property and equipment	156,105	-	-	-	156,105	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ 2,014,599</u>	<u>\$ (718,739)</u>	<u>\$ (189,640)</u>	<u>\$ -</u>	<u>\$ 1,106,220</u>	<u>\$ 7,663</u>

The accompanying statements are an integral part of this statement.

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	Non-LSC					
	IOLTA- NAACP	IOLTA KAT	IOLTA- HCC	Total IOLTA	BCLS	BCLS NAACP
Support and revenue						
Grants and contracts	\$ 19,958	\$ 86,810	\$ 17,259	\$ 310,174	\$ 2,862,153	\$ 17,004
Interest	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Donated services	-	-	-	-	-	-
Loss on property	-	-	-	-	-	-
Total support and revenue	<u>19,958</u>	<u>86,810</u>	<u>17,259</u>	<u>310,174</u>	<u>2,862,153</u>	<u>17,004</u>
Personnel expenses						
Salaries and wages						
Lawyers	-	55,729	4,487	109,217	1,699,552	-
Non-Lawyers	16,422	4,748	2,951	59,689	349,690	11,223
Payroll Taxes	1,269	4,628	2,751	15,667	157,079	1,006
Fringe Benefits	2,267	11,789	6,922	40,471	363,784	2,021
Total personnel expenses	<u>19,958</u>	<u>76,894</u>	<u>17,111</u>	<u>225,044</u>	<u>2,570,105</u>	<u>14,250</u>
Other expenses						
Donated services	-	-	-	-	-	-
Contract services	-	-	-	14,758	5,000	-
Travel and training	-	1,926	148	2,261	16,553	895
Space	-	-	-	5,959	101,625	-
Purchases/educ. materials	-	4,783	-	4,783	6,905	-
Wide area network	-	-	-	-	55,389	-
Rent or lease of equipment	-	-	-	-	2,189	-
Maintenance & Repairs	-	-	-	-	70	-
Office Supplies	-	2,956	-	2,969	57,626	1,756
Printing	-	-	-	-	-	-
Postage and freight	-	251	-	251	196	103
Telephone	-	-	-	-	36,557	-
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	9,938	-
Subscription and dues	-	-	-	46,486	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	-	-	-
Other direct expenses	-	-	-	-	-	-
Total other expenses	<u>-</u>	<u>9,916</u>	<u>148</u>	<u>77,467</u>	<u>292,048</u>	<u>2,754</u>
Total expenses before depr.	<u>19,958</u>	<u>86,810</u>	<u>17,259</u>	<u>302,511</u>	<u>2,862,153</u>	<u>17,004</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	7,663	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,663</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	BCLS HCC	BCLS Hotline	BCLS PAI	Total BCLS	CVCLS	City Of Dallas-ESG	City Of Plano
Support and revenue							
Grants and contracts	\$ 47,913	\$ 56,993	\$ 76,534	\$ 3,060,597	\$ 510,686	\$ 76,579	\$ 8,766
Interest	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Donated services	-	-	-	-	-	-	-
Loss on property	-	-	-	-	-	-	-
Total support and revenue	47,913	56,993	76,534	3,060,597	510,686	76,579	8,766
Personnel expenses							
Salaries and wages							
Lawyers	41,941	53,603	2,222	1,797,318	353,530	32,174	5,973
Non-Lawyers	2,019	-	55,734	418,666	20,655	-	-
Payroll Taxes	492	-	3,961	162,538	28,623	2,373	457
Fringe Benefits	1,411	-	14,617	381,833	70,412	5,846	1,212
Total personnel expenses	45,863	53,603	76,534	2,760,355	473,220	40,393	7,642
Other expenses							
Donated services	-	-	-	-	-	-	-
Contract services	-	-	-	5,000	-	-	-
Travel and training	329	-	-	17,777	3,067	-	100
Space	-	-	-	101,625	20,770	-	-
Purchases/educ. materials	1,697	-	-	8,602	-	-	186
Wide area network	-	-	-	55,389	-	-	-
Rent or lease of equipment	-	-	-	2,189	700	-	-
Maintenance & Repairs	-	-	-	70	15	-	-
Office Supplies	-	-	-	59,382	7,998	-	719
Printing	-	-	-	-	-	-	-
Postage and freight	24	-	-	323	-	-	30
Telephone	-	3,390	-	39,947	4,316	-	74
Advertising	-	-	-	-	-	-	-
Insurance	-	-	-	9,938	600	-	15
Subscription and dues	-	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Other direct expenses	-	-	-	-	-	36,186	-
Total other expenses	2,050	3,390	-	300,242	37,466	36,186	1,124
Total expenses before depr.	47,913	56,993	76,534	3,060,597	510,686	76,579	8,766
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	DBA/CSF	DA	Family Place	VAWA	DA- VAWA	STOP VAWA
Support and revenue						
Grants and contracts	\$ 108,508	\$ 31,922	\$ 50,000	\$ 296,455	\$ 52,565	\$ 36,498
Interest	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Donated services	-	-	-	-	-	-
Loss on property	-	-	-	-	-	-
Total support and revenue	<u>108,508</u>	<u>31,922</u>	<u>50,000</u>	<u>296,455</u>	<u>52,565</u>	<u>36,498</u>
Personnel expenses						
Salaries and wages						
Lawyers	75,715	26,277	42,682	218,148	42,581	21,432
Non-Lawyers	8,393	-	-	-	-	-
Payroll Taxes	6,432	1,702	2,598	16,688	2,938	1,640
Fringe Benefits	17,968	3,943	4,720	45,820	7,046	4,742
Total personnel expenses	<u>108,508</u>	<u>31,922</u>	<u>50,000</u>	<u>280,656</u>	<u>52,565</u>	<u>27,814</u>
Other expenses						
Donated services	-	-	-	-	-	-
Contract services	-	-	-	420	-	-
Travel and training	-	-	-	13,605	-	-
Space	-	-	-	-	-	-
Purchases/educ. materials	-	-	-	-	-	8,584
Wide area network	-	-	-	-	-	-
Rent or lease of equipment	-	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-	-
Office Supplies	-	-	-	1,115	-	-
Printing	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	100
Telephone	-	-	-	659	-	-
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Subscription and dues	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	-	-	-
Other direct expenses	-	-	-	-	-	-
Total other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,799</u>	<u>-</u>	<u>8,684</u>
Total expenses before depr.	<u>108,508</u>	<u>31,922</u>	<u>50,000</u>	<u>296,455</u>	<u>52,565</u>	<u>36,498</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	HUD- Homeless	HUD- Amarillo	HUD-Day Resource	HUD Benefits	Total HUD	IRS
Support and revenue						
Grants and contracts	\$ 68,704	\$ 52,143	\$ 59,218	\$ 26,052	\$ 206,117	\$ 97,393
Interest	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Donated services	-	-	-	-	-	-
Loss on property	-	-	-	-	-	-
Total support and revenue	<u>68,704</u>	<u>52,143</u>	<u>59,218</u>	<u>26,052</u>	<u>206,117</u>	<u>97,393</u>
Personnel expenses						
Salaries and wages						
Lawyers	48,618	38,000	43,563	18,033	148,214	73,424
Non-Lawyers	5,292	2,727	2,031	4,814	14,864	-
Payroll Taxes	3,857	3,006	3,333	1,379	11,575	7,108
Fringe Benefits	10,224	8,031	8,630	1,826	28,711	14,238
Total personnel expenses	<u>67,991</u>	<u>51,764</u>	<u>57,557</u>	<u>26,052</u>	<u>203,364</u>	<u>94,770</u>
Other expenses						
Donated services	-	-	-	-	-	-
Contract services	-	-	-	-	-	-
Travel and training	699	-	252	-	951	2,623
Space	14	-	-	-	14	-
Purchases/educ. materials	-	382	411	-	793	-
Wide area network	-	96	-	-	96	-
Rent or lease of equipment	-	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-	-
Office Supplies	-	(289)	764	-	475	-
Printing	-	-	234	-	234	-
Postage and freight	-	190	-	-	190	-
Telephone	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Subscription and dues	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	-	-	-
Other direct expenses	-	-	-	-	-	-
Total other expenses	<u>713</u>	<u>379</u>	<u>1,661</u>	<u>-</u>	<u>2,753</u>	<u>2,623</u>
Total expenses before depr.	<u>68,704</u>	<u>52,143</u>	<u>59,218</u>	<u>26,052</u>	<u>206,117</u>	<u>97,393</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	United Way	OAG Hotline	OAG Access	TDHCA- ESGP	TX Youth Commission	OVAG
Support and revenue						
Grants and contracts	\$ 465,241	\$ 124,364	\$ 32,102	\$ 30,827	\$ 1,219	\$ 76,483
Interest	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Donated services	-	-	-	-	-	-
Loss on property	-	-	-	-	-	-
Total support and revenue	<u>465,241</u>	<u>124,364</u>	<u>32,102</u>	<u>30,827</u>	<u>1,219</u>	<u>76,483</u>
Personnel expenses						
Salaries and wages						
Lawyers	218,489	95,490	24,628	20,614	1,219	60,542
Non-Lawyers	146,128	-	-	3,148	-	-
Payroll Taxes	26,480	-	1,919	1,577	-	4,628
Fringe Benefits	74,144	-	4,757	4,813	-	11,313
Total personnel expenses	<u>465,241</u>	<u>95,490</u>	<u>31,304</u>	<u>30,152</u>	<u>1,219</u>	<u>76,483</u>
Other expenses						
Donated services	-	-	-	-	-	-
Contract services	-	-	-	-	-	-
Travel and training	-	-	798	-	-	-
Space	-	-	-	-	-	-
Purchases/educ. materials	-	-	-	-	-	-
Wide area network	-	-	-	322	-	-
Rent or lease of equipment	-	-	-	-	-	-
Maintenance & Repairs	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	-
Telephone	-	28,874	-	353	-	-
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Subscription and dues	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	(610)	-	-
Other direct expenses	-	-	-	610	-	-
Total other expenses	<u>-</u>	<u>28,874</u>	<u>798</u>	<u>675</u>	<u>-</u>	<u>-</u>
Total expenses before depr.	<u>465,241</u>	<u>124,364</u>	<u>32,102</u>	<u>30,827</u>	<u>1,219</u>	<u>76,483</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	CDBG McKinney	VOCA	State Bar	The Place	Women's Advoc	Abel Hanger
Support and revenue						
Grants and contracts	\$ 8,050	\$ 394,225	\$ 32,938	\$ 22,882	\$ -	\$ 21,618
Interest	-	-	-	-	-	-
Donations	-	-	-	-	79,425	-
Donated services	-	-	-	-	-	-
Loss on property	-	-	-	-	-	-
Total support and revenue	<u>8,050</u>	<u>394,225</u>	<u>32,938</u>	<u>22,882</u>	<u>79,425</u>	<u>21,618</u>
Personnel expenses						
Salaries and wages						
Lawyers	6,380	309,067	19,481	22,882	48,794	16,757
Non-Lawyers	-	-	3,690	-	-	-
Payroll Taxes	463	25,808	1,730	-	3,732	1,282
Fringe Benefits	1,207	46,818	4,099	-	16,887	3,579
Total personnel expenses	<u>8,050</u>	<u>381,693</u>	<u>29,000</u>	<u>22,882</u>	<u>69,413</u>	<u>21,618</u>
Other expenses						
Donated services	-	-	-	-	-	-
Contract services	-	-	-	-	175	-
Travel and training	-	-	190	-	938	-
Space	-	-	-	-	686	-
Purchases/educ. materials	-	-	3,460	-	138	-
Wide area network	-	11,133	-	-	211	-
Rent or lease of equipment	-	-	-	-	12	-
Maintenance & Repairs	-	-	-	-	209	-
Office Supplies	-	1,146	67	-	1,668	-
Printing	-	-	-	-	3,081	-
Postage and freight	-	253	221	-	2,188	-
Telephone	-	-	-	-	593	-
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	113	-
Subscription and dues	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	-	-	-
Other direct expenses	-	-	-	-	-	-
Total other expenses	<u>-</u>	<u>12,532</u>	<u>3,938</u>	<u>-</u>	<u>10,012</u>	<u>-</u>
Total expenses before depr.	<u>8,050</u>	<u>394,225</u>	<u>32,938</u>	<u>22,882</u>	<u>79,425</u>	<u>21,618</u>
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation and amortization of property and equipment	-	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	Unrestricted				
	Restricted Misc	Total Misc Restricted	EQUAL ACCESS	DBA- JT Campaign	
Support and revenue					
Grants and contracts	\$ -	\$ 77,438	\$ -	\$ 190,745	\$ 26,850
Interest	-	-	-	-	-
Donations	-	79,425	12,925	-	-
Donated services	-	-	-	-	-
Loss on property	-	-	-	-	-
Total support and revenue	<u>-</u>	<u>156,863</u>	<u>12,925</u>	<u>190,745</u>	<u>26,850</u>
Personnel expenses					
Salaries and wages					
Lawyers	5,000	112,914	-	11,212	-
Non-Lawyers	-	3,690	-	39,363	-
Payroll Taxes	-	6,744	-	2,723	-
Fringe Benefits	-	24,565	-	26,495	-
Total personnel expenses	<u>5,000</u>	<u>147,913</u>	<u>-</u>	<u>79,793</u>	<u>-</u>
Other expenses					
Donated services	-	-	-	-	-
Contract services	-	175	-	4,959	-
Travel and training	-	1,128	41	4,140	-
Space	-	686	-	21,610	-
Purchases/educ. materials	2,909	6,507	-	1,919	-
Wide area network	-	211	-	6,211	-
Rent or lease of equipment	-	12	-	351	-
Maintenance & Repairs	5,399	5,608	-	11,046	-
Office Supplies	4,590	6,325	5,423	3,355	21
Printing	-	3,081	-	1,232	-
Postage and freight	143	2,552	142	5,709	-
Telephone	-	593	-	20,054	-
Advertising	-	-	-	-	-
Insurance	-	113	-	2,237	-
Subscription and dues	-	-	-	-	-
Recruiting	-	-	-	510	-
Litigation	-	-	-	-	-
Other direct expenses	-	-	-	-	-
Total other expenses	<u>13,041</u>	<u>26,991</u>	<u>5,606</u>	<u>83,333</u>	<u>21</u>
Total expenses before depr.	<u>18,041</u>	<u>174,904</u>	<u>5,606</u>	<u>163,126</u>	<u>21</u>
Excess (deficiency) of support and revenue over expenses before depreciation	(18,041)	(18,041)	7,319	27,619	26,829
Depreciation and amortization of property and equipment	<u>1,909</u>	<u>1,909</u>	<u>-</u>	<u>2,259</u>	<u>-</u>
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ (19,950)</u>	<u>\$ (19,950)</u>	<u>\$ 7,319</u>	<u>\$ 25,360</u>	<u>\$ 26,829</u>

Legal Aid of NorthWest Texas
Statement of Support, Revenue and Expenses
For the Year Ended December 31, 2006
(cont'd)

	General	Total Unrestricted General	GRAND TOTAL
Support and revenue			
Grants and contracts	\$ 12,707	\$ 230,302	\$ 13,111,325
Interest	-	-	161,539
Donations	-	12,925	92,350
Donated services	-	-	4,243,341
Loss on property	-	-	(12,570)
Total support and revenue	<u>12,707</u>	<u>243,227</u>	<u>17,595,985</u>
Personnel expenses			
Salaries and wages			
Lawyers	-	11,212	4,920,222
Non-Lawyers	-	39,363	2,726,847
Payroll Taxes	-	2,723	566,191
Fringe Benefits	-	26,495	1,555,816
Total personnel expenses	<u>-</u>	<u>79,793</u>	<u>9,769,076</u>
Other expenses			
Donated services	-	-	4,243,341
Contract services	-	4,959	158,655
Travel and training	1,947	6,128	288,825
Space	-	21,610	600,651
Purchases/educ. materials	3,766	5,685	185,894
Wide area network	-	6,211	113,436
Rent or lease of equipment	-	351	13,147
Maintenance & Repairs	-	11,046	152,073
Office Supplies	-	8,799	278,703
Printing	-	1,232	6,068
Postage and freight	24	5,875	96,216
Telephone	-	20,054	193,936
Advertising	-	-	5,454
Insurance	-	2,237	43,062
Subscription and dues	-	-	46,486
Recruiting	-	510	28,099
Litigation	529	529	11,796
Other direct expenses	-	-	40,912
Total other expenses	<u>6,266</u>	<u>95,226</u>	<u>6,506,754</u>
Total expenses before depr.	<u>6,266</u>	<u>175,019</u>	<u>16,275,830</u>
Excess (deficiency) of support and revenue over expenses before depreciation	6,441	68,208	1,320,155
Depreciation and amortization of property and equipment	<u>8,620</u>	<u>10,879</u>	<u>168,893</u>
Excess (deficiency) of support and revenue over expenses after depreciation	<u>\$ (2,179)</u>	<u>\$ 57,329</u>	<u>\$ 1,151,262</u>

Legal Aid of North West Texas
Statement of Changes in Net Assets
For the Year Ended December 31, 2007

	Legal Services Corporation Basic Field Grant	IOLTA	Dallas Bar Association	Miscellaneous	Non-LSC	Property	Total
Excess (deficiency) of support and revenue over expenses	(\$ 1,174,607)	\$ 300,450	\$ - 0 -	(\$ 17,473)	(\$197,065)	(\$383,089)	(\$1,471,784)
Acquisition of property	(450,652)	(300,450)	- 0 -	- 0 -	- 0 -	751,102	- 0 -
Total	(1,625,259)	- 0 -	- 0 -	(17,473)	(197,065)	368,013	(1,471,784)
Net assets, beginning of year	<u>1,897,360</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>19,166</u>	<u>831,438</u>	<u>1,885,512</u>	<u>4,633,476</u>
Net assets, end of year	<u>\$ 272,101</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 1,693</u>	<u>\$ 634,373</u>	<u>\$2,253,525</u>	<u>\$ 3,161,692</u>

The accompanying notes are an integral part of this statement.

Legal Aid of NorthWest Texas
Statement of Changes in Net Assets
For the Year Ended December 31, 2006

	Legal Services Corporation Basic Field Grant	IOLTA	Dallas Bar Association	Misc. Restricted	Non-LSC	Property	Total
Excess (deficiency) of support and revenue over expenses	\$ 1,262,325	\$ 7,664	\$ - 0 -	(\$ 18,041)	\$ 68,207	(\$168,893)	\$1,151,262
Acquisition of property	(356,203)	(7,664)	- 0 -	(30,000)	(25,358)	419,225	- 0 -
Total	906,122	- 0 -	- 0 -	(48,041)	42,849	250,332	1,151,262
Net assets, beginning of year	<u>991,238</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>67,207</u>	<u>788,589</u>	<u>1,635,180</u>	<u>3,482,214</u>
Net assets, end of year	<u>\$ 1,897,360</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 19,166</u>	<u>\$ 831,438</u>	<u>\$1,885,512</u>	<u>\$4,633,476</u>

The accompanying notes are an integral part of this statement.



DAVIS CLARK
& COMPANY

**REPORT ON COMPLIANCE WITH REQUIREMENT APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

March 29, 2008

Legal Aid of NorthWest Texas
400 North Beach Street
Fort Worth, Texas 76111

Compliance

We have audited the compliance of Legal Aid of NorthWest Texas with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. Legal Aid of NorthWest Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Legal Aid of NorthWest Texas's management. Our responsibility is to express an opinion on Legal Aid of NorthWest Texas's compliance based on our audit.

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 Legal Services Corporation Guide for Receipients and Auditors dated December 1998; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Aid of NorthWest Texas'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. Our audit does not provide a legal determination of Legal Aid of NorthWest Texas's compliance with those requirements.

In our opinion, Legal Aid of NorthWest Texas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of Legal Aid of NorthWest Texas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Aid of NorthWest Texas's internal control over compliance.

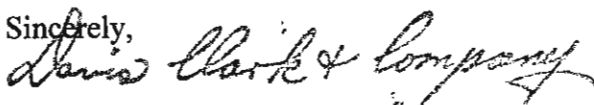
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, Legal Services Corporation, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



DAVIS CLARK & COMPANY, LLC
Certified Public Accountants



**DAVIS CLARK
& COMPANY**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

March 29, 2008

Legal Aid of NorthWest Texas
400 North Beach Street, First Floor
Fort Worth, Texas 76111

We have audited the financial statements of Legal Aid of NorthWest Texas as of and for the year ended December 31, 2007, and have issued our report thereon dated March 29, 2008. 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 and Legal Services Corporation Guide for Recipients and Auditors dated December 1998.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Legal Aid of NorthWest Texas's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Legal Aid of NorthWest Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Legal Aid of NorthWest Texas's financial statements are free of 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*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, Legal Services Corporation, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



DAVIS CLARK & COMPANY, LLC
Certified Public Accountants

Legal Aid of NorthWest Texas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2007

Section I - Summary of Auditor's Results

1. The auditor's report expressed an unqualified opinion on the financial statements of Legal Aid of NorthWest Texas.
2. Internal control of financial reporting:
 - Material weakness(es) identified? Yes _____ No X
 - Significant deficiencies identified that are not considered to be material weaknesses Yes _____ No XNon compliance material to financial statements noted? Yes _____ No X
Federal Awards
Internal controls over major programs:
 - Material weakness(es) identified? Yes _____ No X
 - Significant deficiencies identified that are not considered to be material weaknesses Yes _____ No X
3. The auditor's report expresses an unqualified opinion on compliance regarding each of its major federal programs.
4. Any audit findings disclosed that are required to be reported in Accordance with section 510(a) of Circular A-133? Yes _____ No X
5. The programs tested as major programs include:
Legal Service Corporation Basic Field Grant, CFDA #9.744050.
6. Dollar Threshold used to distinguish between type A and type B programs was \$300,000.
7. Auditee qualified as low risk auditee? Yes _____ No X

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None