



Legal Aid Of NorthWest Texas
Equal Justice For All

AUDITED FINANCIAL STATEMENTS
AND AUDIT OF FINANCIAL ASSISTANCE PROGRAMS IN ACCORDANCE
WITH OMB CIRCULAR A-133
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

GRANT RECIPIENT NUMBER 744050

TABLE OF CONTENTS

LSC Recipient No. 744050

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	4
FINANCIAL STATEMENTS	
Statement of Financial Position as of December 31, 2009 and 2008	6
Statement of Activities for the year ended December 31, 2009	8
Statement of Activities for the year ended December 31, 2008	9
Statement of Functional Expenses for the year ended December 31, 2009	10
Statement of Functional Expenses for the year ended December 31, 2008	11
Statement of Cash Flows for the years ended December 31, 2009 and 2008	12
Notes to Financial Statements	13
SUPPLEMENTARY DATA	
Statement of Changes in Net Assets for the year ended December 31, 2009	27
Statement of Changes in Net Assets for the year ended December 31, 2008	28
Statement of Support, Revenue and Expenses for the year ended December 31, 2009	29
Private Attorney Involvement - Schedule of Expenditures for the year ended December 31, 2009	40
Schedule of Expenditures of Federal Awards and Other Financial Assistance for the year ended December 31, 2009	41

TABLE OF CONTENTS
(continued)

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	43
Financial Assistance Section -	
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	45
Schedule of Findings and Questioned Costs	47
Status of Prior Year Findings	49



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, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows 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 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, 2009 and 2008, 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 reports dated March 29, 2010 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. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Board of Directors
Legal Aid of NorthWest Texas

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Legal Aid of NorthWest Texas taken as a whole. The Private Attorney Involvement – Schedule of Expenditures and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements of the Organization. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part 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 29, 2010

Frazier Hills, P.C.

LEGAL AID OF NORTHWEST TEXAS
Statement of Financial Position
As of December 31, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and Equivalents	\$ 1,994,797	\$ 732,077
Cash in Escrow-Client Deposits	3,371	7,543
Accounts Receivable	4,617	898
Due from Agencies	430,456	385,204
Prepaid Expenses	<u>104,628</u>	<u>103,704</u>
Total Current Assets	2,537,869	1,229,426
Property and Equipment		
Furniture, Fixtures & Equipment	878,480	847,782
Accumulated Depreciation	<u>(718,470)</u>	<u>(646,512)</u>
Net	160,010	201,270
Buildings, Improvements and Land	6,387,629	6,378,397
Accumulated Depreciation	<u>(1,092,243)</u>	<u>(877,851)</u>
Net	5,295,386	5,500,546
Law Library	12,984	22,534
Accumulated Depreciation	<u>(10,820)</u>	<u>(8,899)</u>
Net	<u>2,164</u>	<u>13,635</u>
Total Property	<u>5,457,560</u>	<u>5,715,451</u>
TOTAL ASSETS	<u>\$ 7,995,429</u>	<u>\$ 6,944,877</u>

See accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Statement of Financial Position
As of December 31, 2009 and 2008

LIABILITIES	<u>2009</u>	<u>2008</u>
Current Liabilities		
Accounts Payable	\$ 322,560	\$ 641,424
Accrued Expenses	180,000	204,776
Client Trust Deposits	3,371	7,543
Refundable Advances	758,102	44,966
Note Payable Current Portion	<u>101,219</u>	<u>96,518</u>
Total Current Liabilities	1,365,252	995,227
Note Payable – Long Term	2,710,612	2,811,832
Obligation for Interest Rate Swap	<u>130,674</u>	<u>224,188</u>
Total Liabilities	4,206,538	4,031,247
NET ASSETS		
UNRESTRICTED		
General	27,128	43,003
General - Property	<u>462,996</u>	<u>484,780</u>
Total Unrestricted	490,124	527,783
TEMPORARILY RESTRICTED		
Other Grants – General	2,420	750
Legal Services Corporation – grants	1,061,619	104,296
Legal Services Corporation - property	1,780,082	1,757,113
Other Grants - Property	<u>454,646</u>	<u>523,688</u>
Total Net Assets	<u>3,298,767</u>	<u>2,385,847</u>
Total Net Assets	3,788,891	2,913,630
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,995,429</u>	<u>\$ 6,944,877</u>

See accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Statement of Activities
For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted			Total All Funds
		LSC	Non-LSC	Total	
Revenues and Other Support:					
Grants and Contracts	-	8,068,757	6,245,141	14,313,898	14,313,898
Donations	234,376	-	64,741	64,741	299,117
Donated Services	-	4,433,242	-	4,433,242	4,433,242
Interest Income	-	4,138	-	4,138	4,138
Loss on Disposal of Equipment	-	-	-	-	-
Net Assets Released from Restrictions	17,996,614	(11,619,358)	(6,377,256)	(17,996,614)	-
Total Revenues, Gains, and Other Support	18,230,990	886,779	(67,374)	819,405	19,050,395
Expenses					
Program Services	16,303,522	-	-	-	16,303,522
Management and General	1,784,753	-	-	-	1,784,753
Fundraising	180,373	-	-	-	180,373
Total Expenses	18,268,648	-	-	-	18,268,648
Changes in Net Assets	(37,658)	886,779	(67,374)	819,405	781,747
Increase in Fair Value of Interest Rate Swap	-	93,514	-	93,514	93,514
Net Assets, Beginning of Year, as restated	527,783	1,861,409	524,438	2,385,847	2,913,630
Net Assets, End of Year	490,124	2,841,702	457,065	3,298,767	3,788,891

See accompanying notes to the financial statements.

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

	Unrestricted	Temporarily Restricted			Total All Funds
		LSC	Non-LSC	Total	
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 of Equipment	-	(34)	-	(34)	(34)
Net Assets Released from Restrictions	19,101,012	(12,443,162)	(6,657,850)	(19,101,012)	-
Total Revenues, Gains, and Other Support	19,349,379	114,616	(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)	114,616	(8,012)	106,604	(23,875)
Reduction in Fair Value of Interest Rate Swap	-	(224,188)	-	(224,188)	(224,188)
Net Assets, Beginning of Year	658,262	1,970,981	532,450	2,503,431	3,161,693
Net Assets, End of Year, as restated	527,783	1,861,409	524,438	2,385,847	2,913,630

See accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Statement of Functional Expenses
For the Year Ended December 31, 2009

	Program Services	Management and General	Fundraising	Total
Attorneys salaries and wages	4,896,765	79,962	-	4,976,727
Non-attorneys salaries and wages	2,281,390	855,254	122,498	3,259,142
Payroll Taxes	525,554	69,724	8,941	604,219
Fringe benefits	1,826,387	216,195	42,051	2,084,633
Total Personnel Expenses	9,530,096	1,221,135	173,490	10,924,721
Legal Consultants-Donated	4,433,242	-	-	4,433,242
Contract Services	51,037	208,959	-	259,996
Travel and Training	167,479	85,716	5,513	258,708
Occupancy	714,615	67,872	-	782,487
Building Interest	68,163	68,163	-	136,326
Purchases & Materials	156,837	13,381	179	170,397
Wide Area Network	114,094	-	-	114,094
Equipment Rental	7,968	393	-	8,361
Equipment Repairs	87,672	24,496	-	112,168
Depreciation	295,086	9,098	-	304,184
Office Supplies	145,463	35,192	1,191	181,846
Printing	4,840	1,375	-	6,215
Postage	87,869	14,939	-	102,808
Bank Service Charges	528	10,338	-	10,866
Telephone	255,450	14,730	-	270,180
Advertising	4,383	1,097	-	5,480
Insurance	35,252	1,851	-	37,103
Dues	38,091	1,910	-	40,001
Recruiting	5,785	3,820	-	9,605
Litigation	31,737	288	-	32,025
ESG Rental Assistance	67,835	-	-	67,835
Total Other Expenses	6,773,426	563,618	6,883	7,343,927
Total Expenses	16,303,522	1,784,753	180,373	18,268,648

See 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 accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Statement of Cash Flows
For the Year Ended December 31, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 875,261	\$ (248,063)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	304,184	306,193
Decrease (Increase) in Accounts receivable	(3,719)	3,645
(Increase) Decrease in Due from Agencies	(45,252)	214,529
(Increase) Decrease in Prepaid Expenses	(924)	4,794
Increase (Decrease) in Accounts payable-Trade	(318,864)	273,299
Increase (Decrease) in Accrued Expenses	(24,776)	(264,837)
(Decrease) Increase in Due to Agencies	713,136	43,541
Loss on Disposal of Assets	-	34
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,499,046	333,135
CASH FLOWS FROM INVESTING ACTIVITIES:		
Adjustment - asset accrual	-	1,844
Purchase of building, equipment and law library books	(46,294)	(3,769,994)
NET CASH (USED IN) INVESTING ACTIVITIES	(46,294)	(3,768,150)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in Note Payable	(96,518)	(91,650)
(Increase) Decrease in Interest Rate Swap Value	(93,514)	224,188
NET CASH (Used In) FINANCING ACTIVITIES	(190,032)	132,538
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,262,720	(3,302,477)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	732,077	4,034,554
CASH AND CASH EQUIVALENTS, END OF YEAR	\$1,994,797	\$ 732,077

SUPPLEMENTARY DISCLOSURE:

Net interest paid during 2009 : \$ 136,326
Net interest paid during 2008 (net of capitalized interest of \$106,623): \$ 38,536

See accompanying notes to the financial statements.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2009

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 15 offices 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 in accordance with accounting standards generally accepted in the United States of America 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's *Accounting Standards Codification (ASC) 958, Not-for-Profit Entities*, formerly *Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations."* Under ASC 958, 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.

Permanently restricted funds include grants, gifts and other program income expendable only for purposes specified or approved by the grantor or donor and such restrictions do not expire.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As of December 31, 2009 and 2008, temporarily restricted funds specifically classified as property, plant and equipment that have been purchased utilizing the following funds are shown below:

Temporarily Restricted Fund	2009	2008
Legal Services Corporation	\$ 1,780,082	\$ 1,757,113
Interest on Lawyers' Trust Fund	407,709	472,762
Dallas Bar Association	41,996	45,813
Private Donations	4,940	5,113
Total	\$ 2,234,727	\$ 2,280,801

There were no permanently restricted funds as of December 31, 2009 or 2008.

d) Major Grants, Contracts and/or Allocation Support

The major funding sources for LANWT include Legal Services Corporation (LSC), Texas Access to Justice Foundation (TAJF), the Department of Justice and the United Way. These sources comprise approximately 95% and 88%, respectively, of the total funding received by the Organization for the years ended December 31, 2009 and 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 period. In accordance with the terms of its grants 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.

Texas Access to Justice Foundation provides LANWT with an annual Interest on Lawyers Trust Accounts (IOLTA) grant which is awarded to serve 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 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 and assault.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

e) 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.

f) Accounts and Grants Receivable

LANWT considers accounts and grants receivable to be fully collectible, accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made.

g) 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. No interest was capitalized for 2009; however, \$106,623 was capitalized in 2008. 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

Effective January 1, 2008, LANWT began expensing all library books as purchased.

h) 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.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocations (continued)

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.

i) 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.

For the year ended December 31, 2009, volunteers are estimated to have donated approximately 41,000 hours and management estimates the value of volunteer services to be \$4,433,242. For the year ended December 31, 2008, 43,000 volunteer hours were estimated for a value of \$5,180,767.

j) 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. There is no uncertain tax position that qualifies for recognition or disclosure in the financial statements.

k) Interest Rate Swap Agreement

LANWT entered into an interest rate swap agreement, a derivative instrument, as a hedge of cash flow variability caused by changes in the interest rates on its floating rate mortgage debt. Interest rate swap agreements are used to convert floating rate long term debt to a fixed rate note (see related Notes 8 and 9). The agreements are to be recognized at fair value. The agreement is deemed to be fully effective; therefore the change in fair value of the agreement is included as part of changes in net assets. At the inception of the agreement, the risk management strategy and the hedge's effectiveness were documented. The interest rate risk management strategy was to stabilize cash flow requirements by maintaining the interest rate swap to convert variable rate debt to fixed rate.

l) 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.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Subsequent Events

LANWT has implemented Financial Accounting Standards Board's *Accounting Standards Codification (ASC) 855, Subsequent Events*, (formerly Statement of Financial Accounting Standards No. 165, *Subsequent Events*, or SFAS 165). This standard establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. The adoption of ASC 855 did not impact LANWT's financial position or results of operations. LANWT evaluated all events and transactions that occurred December 31, 2009 through March 29, 2010, the date these financial statements were able to be issued. During this period LANWT did not have any material recognizable subsequent events.

LANWT revised the December 31, 2008 financial statements and all applicable events and transactions that occurred during the year and through March 29, 2010 were evaluated. See Notes 9 and 13 for the nature of the revisions made.

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 \$ 4,433,242 for the year ended December 31, 2009 and 5,180,767 for 2008. A corresponding amount is also recognized as revenue.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2009

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 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Buildings and Land	\$ 6,387,629	\$ 6,378,397
Furniture and Fixtures	87,089	87,507
Machinery, Equipment & Software	791,391	760,275
Law Library	12,984	22,534
	<u>7,279,093</u>	<u>7,248,713</u>
Accumulated Depreciation	<u>(1,821,533)</u>	<u>(1,533,262)</u>
Totals	<u>\$ 5,457,560</u>	<u>\$ 5,715,451</u>

Total depreciation expense was \$304,184 for the year ended December 31, 2009 and \$306,194 for the year ended December 31, 2008. Property donated to LANWT is recorded at fair market value at the date of donation.

NOTE 5 - LEASE COMMITMENTS

The following is a schedule by years of future minimum rental payments required under operating leases for facilities that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2009:

Year ending December 31:	2010	\$ 405,437
	2011	341,902
	2012	227,303
	2013	88,725
	2014	<u>16,800</u>
		<u>\$1,080,167</u>

Total rental expense for all operating leases, exclusive of utilities, was \$427,466 in 2009 and \$546,075 in 2008.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2009

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 through December 31.

	<u>2009</u>	<u>2008</u>
VOCA	\$ 89,629	\$ 86,120
STOP-VAWA	61,207	55,549
United Way	74,917	43,022
District Attorney's Office	32,450	34,005
OAG-Hotline	45,344	31,164
City of Dallas Emergency Shelter	7,216	28,129
CVCLS	30,068	19,840
Internal Revenue Service	7,956	17,460
HUD Homeless	11,479	12,581
DA-VOCA	6,046	11,400
IOLTA	-	11,090
Office of Attorney General	9,581	9,737
TIG	5,000	5,000
OAG-Lubbock	5,601	4,919
HUD - Amarillo	4,606	4,906
Family Place	12,497	4,163
TAJF-Parenting Clinic	2,682	3,119
United Way - Kaufman	3,000	3,000
CDBG – City of Irving	4,091	-
HPRP Dallas	10,834	-
HPRP City of Irving	4,851	-
DHCA State- City of Irving	928	-
Other	473	-
	<u>\$ 430,456</u>	<u>\$ 385,204</u>

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2009

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 through December 31. The detail of the Refundable Advances is shown below.

	2009	2008
BCLS	\$ 99,058	\$ 13,053
TAJF Legislature General Revenue	450,090	11,705
Texas Bar Foundation	-	10,000
IOLTA	172,162	-
United Way Pledges	18,775	-
Payne Foundation	-	1,307
Joachim Foundation	2,666	3,144
B'Nai 'Rith	8,250	2,223
Westside Lions Club	3,974	2,034
Others	3,127	1,500
	<u>\$ 758,102</u>	<u>\$ 44,966</u>

NOTE 8 - 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 is 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, net revenues and accounts at Frost Bank.

Balance of note as of December 31, 2009	\$2,811,831
Less: current maturities	<u>101,219</u>
Long Term Maturities	<u>\$2,710,612</u>

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statement

December 31, 2009

NOTE 8 - NOTE PAYABLE (continued)

The debt service requirements at December 31, 2009 are as follows:

For Year Ended December 31:

2010	\$	101,219
2011		106,149
2012		110,970
2013		116,725
2014		<u>122,410</u>
		557,473
Thereafter		<u>2,254,358</u>
Total	\$	<u>2,811,831</u>

Interest paid for 2009 was \$136,326 (including \$93,514 related to value of interest rate swap). Interest paid for 2008 (net of capitalized interest expense of \$106,623) was \$38,536.

LANWT maintains fund accounting recordkeeping that allows for independent verification of the use of private funds for the costs associated with the stone for the Fort Worth building. To date, \$24,373 has been attributed to the stone and has been charged to private funds.

NOTE 9 - INTEREST RATE SWAP AGREEMENT

In conjunction with obtaining the \$3,000,000 financing for the construction of the Fort Worth building (NOTE 8), LANWT entered into an interest rate swap agreement with Frost Bank that effectively converts the variable interest rate on the loan to a fixed rate of 4.7%. Under the swap agreement, LANWT agreed to pay interest at 4.7% and receives interest at a rate equal to 65% of London Interbank Offered Rate (LIBOR) plus 1.25%. The agreement complies with certain Internal Revenue Service regulations such that the interest paid on the note is exempt from inclusion in the gross income of Frost Bank. The interest rate swap matures on the same date as the original loan, December 20, 2017. The notional amount of the swap decreases as the principal payments are made on the note so that the notional amount equals the principal outstanding under the note. The swap is designed to hedge the risk of changes in interest payments on the note caused by changes in LIBOR.

The swap was issued at market terms so that it had no fair value at its inception. Generally accepted accounting principles require derivative instruments, such as interest rate swap agreements, to be recognized at fair value as either assets or liabilities in the statement of financial position. The carrying amount of the swap has been adjusted to its fair value at the end

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statement

December 31, 2009

NOTE 9 - INTEREST RATE SWAP AGREEMENT (continued)

of the year, which because of changes in forecasted levels of LIBOR resulted in reporting a liability for the fair value of the future net payments forecasted under the swap. The liability (\$130,674 for 2009 and \$224,188 for 2008) is classified as noncurrent since management does not intend to settle it in less than one year. The offsetting entries to the liability account are shown as increases or decreases in the fair value of the interest rate swap agreement in the statement of activities.

Value has been measured based on estimates of the amount needed to settle the agreement as calculated by the counterparty to the swap agreement. Such calculations were based on changes in market conditions and/or assumptions underlying valuation models. Should LANWT prematurely terminate the swap agreement, the liability recognized at year end would become due and payable upon termination.

Changes in the fair value of the interest rate swap agreement are recognized as increases in interest expense for the years ended 2009 and 2008, as \$93,514 and \$ 96,690, respectively,

NOTE 10 RETIREMENT PLANS

Employer Funded - Included in year 2009 employee benefits costs is \$390,280 which represents costs of a profit sharing / defined contribution plan established for eligible LANWT employees. In 2009, plan assets were transferred from a prior plan. Legal Aid of NorthWest Texas contributed 5% of the employees' regular monthly salary for eligible employees, however the contribution level is discretionary. There are no past service costs associated with the plan. Employees are 100% vested after 5 years but do not contribute to the plan. LANWT contributed \$523,246 during the year 2008. The plan value was approximately \$4.2 million and \$3.6 million as of December 31, 2009 and 2008, respectively.

Employee Funded - In 2009, the optional 401(k) plan was amended such that LANWT no longer contributes to the plan or provides matching contributions. Contributions are generated from employee deferrals only. 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 approximately \$1.2 million and \$940,000 as of December 31, 2009 and 2008, respectively.

Inactive Plans - LANWT has fiduciary responsibility for two inactive retirement plans, a 403(b) plan and a tax deferred annuity plan. No contributions are made to either plan. As of December 31, 2009 the plan value of the 403(b) plan was approximately \$300,000 and the value of the tax deferred annuity plan was approximately \$1.1 million.

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.

LEGAL AID OF NORTHWEST TEXAS
Notes to Financial Statements
December 31, 2009

NOTE 11 – COMMITMENTS AND CONTINGENCIES (continued)

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, 2009 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. During 2009, LANWT experienced large claims which in addition to premium and administrative fees accounted for a total of \$1,609,208 health and dental insurance expense for the year ended December 31, 2009.

The cost of compensated absences is not estimated and is recognized as paid.

Terms of the interest swap agreement (NOTE (9) dictate that should LANWT's actions trigger a "Taxable Event" that would negate the receipt of tax exempt interest by Frost, LANWT would be required to pay a penalty to Frost Bank. Events which could trigger a taxable event include loss of LANWT's tax exempt status or the use of loan proceeds for construction of property not owned by a governmental unit or Code Section 501(c)(3) organization. Management does not anticipate such actions and as such no allowance or contingency has been accrued.

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 \$1.7 million as of December 31, 2009. 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.

NOTE 13 - SUMMARY OF MAJOR FUNDING SOURCES

Grants and Contract Support

For the year ended December 31, 2009, approximately 55% of the Organization's support was provided by the Legal Services Corporation, 30% was provided by grants from the Texas Access to Justice Foundation and 3% was provided by various United Way organizations.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2009

NOTE 13 - SUMMARY OF MAJOR FUNDING SOURCES (continued)

Grants and Contract Support (continued)

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

<u>Funding Source</u>	Support Recognized for Year Ended:	
	12/31/2009	12/31/2008
Legal Services Corporation	\$ 8,068,757	\$ 7,331,805
Texas Access to Justice Foundation	4,329,557	4,609,107
United Way of Metropolitan Dallas	447,747	468,471
Department of Justice – Victims of Crime Act	502,625	323,375

NOTE 14- LSC NET ASSETS ANALYSIS AND COMPUTATION –YEAR 2009

LSC Net Assets Analysis and Computation

LSC Grant – Basic Field	\$ 8,068,757
Income – Interest income	4,138
	<hr/>
Total LSC Grant Support	8,072,895
	<hr/>
<u>LSC Net Assets Subject to 45 CFR 1628</u>	
Ending LSC Net Assets (Percentage of LSC Support – 13.2%)	1,061,619
Allowable Carryover	807,290
	<hr/>
Excess Subject to Waiver Pursuant to 45 CFR 1628.3(b)	254,329
	<hr/> <hr/>

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.

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 rates comparable to those in arms-length transactions for services provided.

LEGAL AID OF NORTHWEST TEXAS

Notes to Financial Statements

December 31, 2009

NOTE 17 - FAIR VALUE

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Cash and cash equivalents – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Derivative Instruments (Interest Rate Swap) – The estimated fair value amounts has been determined by using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that LANWT could realize in a current market exchange.

NOTE 18 - CONCENTRATION OF SOURCE OF SUPPLY OF LABOR

LANWT staff attorneys, intake and support personnel (representing approximately 77% of the employees) are members of the Union of Legal Assistance Workers, National Organization of Legal Services Workers, UAW Local #2320, AFL-CIO. Administrative and managerial employees are not represented by a union. The revised collective bargaining agreement was negotiated in October 2009 and is effective until December 31, 2012.

NOTE 19 - PRIOR PERIOD ADJUSTMENT

The financial statements for year ended December 31, 2008 have been restated to reflect the recognition of the fair value adjustment in 2008 for LANWT's interest rate swap agreement (NOTE 9). The effect of the correction is a decrease in the 2008 temporary restricted net assets and an increase in liabilities of \$224,188.

SUPPLEMENTARY DATA

LEGAL AID OF NORTHWEST TEXAS
Statement of Changes in Net Assets
December 31, 2009

	LSC non-PAI	Other Restricted		Total Restricted	Unrestricted		Total
		Miscellaneous	Property		General	Property	
Excess (deficiency) of support & revenue over expenses	1,096,703	1,670	(278,967)	819,406	(12,442)	(25,217)	781,747
Increase in fair value of interest rate swap	-	-	93,513	93,513	-	-	93,513
Increase (decrease) in net assets	1,096,703	1,670	(185,454)	912,919	(12,442)	(25,217)	875,260
Change in net assets							
Acquisition of property	(46,294)	-	46,294	-	-	-	-
Retirement of long-term debt	(93,086)	-	93,086	-	(3,433)	3,433	-
Subtotal	(139,380)	-	139,380	-	(3,433)	3,433	-
Increase (decrease) in net assets	957,323	1,670	(46,074)	912,919	(15,875)	(21,784)	875,260
Net assets, beginning of year, as restated	104,296	750	2,280,801	2,385,847	43,003	484,780	2,913,630
Net assets, end of year	1,061,619	2,420	2,234,727	3,298,767	27,128	462,996	3,788,891

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Changes in Net Assets
December 31, 2008

	LSC non-PAI	Other Restricted		Total Restricted	Unrestricted		Total
		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)
Reduction in fair value of interest rate swap	-	-	(224,188)	(224,188)	-	-	(224,188)
Increase (decrease) in net assets	391,540	4,257	(513,382)	(117,585)	(111,603)	(18,875)	(248,063)
Change in net assets							
Building loan	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	-
Increase (decrease) in net assets	(167,805)	(943)	51,163	(117,585)	(591,370)	460,892	(248,063)
Net assets, beginning of year	272,101	1,693	2,229,638	2,503,432	634,373	23,888	3,161,693
Net assets, end of year, as restated	104,296	750	2,280,801	2,385,847	43,003	484,780	2,913,630

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2009

	TEMPORARILY RESTRICTED - LSC			
	LSC	LSC-PAI	FUNDRAISING GENERAL	TOTAL LSC
Support and revenue				
-Grants & Contracts	\$ 8,068,757	-	-	\$ 8,068,757
-Interest	4,138	-	-	4,138
-Donated Funds	-	-	-	-
-Donated Services	4,433,242	-	-	4,433,242
Loss on Disposal of Equipment				
Total Support and revenue	12,506,137	-	-	12,506,137
Salaries-Attorneys	1,453,532	34,253	-	1,487,785
Salaries-Other Prof & Support	1,662,293	532,265	122,498	2,317,056
Payroll Taxes	246,990	42,466	8,941	298,397
Fringe Benefits	901,043	125,241	42,051	1,068,335
Total Personnel	4,263,858	734,225	173,490	5,171,573
Legal Consultants-Donated	4,433,242	-	-	4,433,242
Contract Services	140,107	4,117	-	144,224
Travel & Training	202,809	19,453	5,513	227,775
Occupancy	530,112	51,420	-	581,532
Building Interest	118,398	-	-	118,398
Purchases & Materials	92,170	3,680	179	96,029
Data Network	69,589	9,621	-	79,210
Equipment Rental	7,096	378	-	7,474
Equipment Repairs	98,551	10,851	-	109,402
Office Supplies	97,966	23,813	1,191	122,970
Printing	3,134	87	-	3,221
Postage	83,154	9,129	-	92,283
Bank Charges	10,174	694	-	10,868
Telephone	128,740	8,519	-	137,259
Advertising	4,977	503	-	5,480
Insurance	32,615	2,264	-	34,879
Dues	-	-	-	0
Recruiting	7,196	1,435	-	8,631
Litigation	23,790	1,194	-	24,984
ESG Rental Assistance	-	-	-	0
Total other expenses	6,083,820	147,158	6,883	6,237,861
Total expenses before depr.	10,347,678	881,383	180,373	11,409,434
Excess (deficiency) of support and revenue over expenses before depreciation	2,158,459	(881,383)	(180,373)	1,096,703
Depreciation	209,924	-	-	209,924
Excess (deficiency) of support and revenue over expenses after depreciation	\$ 1,948,535	\$ (881,383)	\$ (180,373)	\$ 886,779

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2009

	NON LSC TEMPORARILY RESTRICTED					
	IOLTA	IOLTA- NAACP	IOLTA- HCC	IOLTA- PAI	TAJF PRORATA	TAJF Emergency
Support and revenue						
-Grants & Contracts	\$ 1,042,363	\$ 15,495	\$ 21,443	\$ 19,213	\$ 190,240	\$ 38,655
-Interest	-	-	-	-	-	-
-Donated Funds	-	-	-	-	-	-
-Donated Services	-	-	-	-	-	-
Loss on Disposal of Equipment						
Total Support and revenue	1,042,363	15,495	21,443	19,213	190,240	38,655
Salaries-Attorneys	374,464	-	15,979	-	83,231	-
Salaries-Other Prof & Support	296,529	11,331	-	14,362	56,050	-
Payroll Taxes	51,329	866	1,217	1,095	10,655	-
Fringe Benefits	177,195	3,015	4,247	3,756	40,304	-
Total Personnel	899,517	15,212	21,443	19,213	190,240	-
Legal Consultants-Donated	-	-	-	-	-	-
Contract Services	-	-	-	-	-	38,655
Travel & Training	3,531	273	-	-	-	-
Occupancy	63,122	-	-	-	-	-
Building Interest	-	-	-	-	-	-
Purchases & Materials	-	-	-	-	-	-
Data Network	11,265	-	-	-	-	-
Equipment Rental	-	-	-	-	-	-
Equipment Repairs	-	-	-	-	-	-
Office Supplies	13,373	10	-	-	-	-
Printing	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Telephone	11,554	-	-	-	-	-
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Dues	40,001	-	-	-	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	-	-	-
ESG Rental Assistance	-	-	-	-	-	-
Total other expenses	142,846	283	-	-	-	38,655
Total expenses before depr.	1,042,363	15,495	21,443	19,213	190,240	38,655
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation	65,052	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ (65,052)	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2009

NON LSC TEMPORARILY RESTRICTED

	TAJF Rural	TAJF Retention	TAJF Legislature	TAJF POLC	IOLTA ELDORADO	TOTAL IOLTA
Support and revenue						
-Grants & Contracts	\$ 141,484	\$ 154,160	\$ 183,244	\$ 51,148	\$ 6,123	\$ 1,863,568
-Interest	-	-	-	-	-	-
-Donated Funds	-	-	-	-	-	-
-Donated Services	-	-	-	-	-	-
Loss on Disposal of Equipment						
Total Support and revenue	141,484	154,160	183,244	51,148	6,123	1,863,568
Salaries-Attorneys	43,646	154,160	25,509	19,587	-	716,576
Salaries-Other Prof & Support	22,877	-	78,419	6,661	-	486,229
Payroll Taxes	5,089	-	7,950	2,008	-	80,209
Fringe Benefits	17,048	-	21,849	5,210	-	272,624
Total Personnel	88,660	154,160	133,727	33,466	-	1,555,638
Legal Consultants-Donated	-	-	-	-	-	-
Contract Services	12,808	-	-	1,785	-	53,248
Travel & Training	2,493	-	3,177	145	1,068	10,687
Occupancy	7,086	-	2,304	360	-	72,872
Building Interest	-	-	-	-	-	-
Purchases & Materials	19,886	-	36,414	12,792	-	69,092
Data Network	-	-	-	-	-	11,265
Equipment Rental	369	-	-	-	-	369
Equipment Repairs	1,046	-	-	-	-	1,046
Office Supplies	6,589	-	4,884	2,294	-	27,150
Printing	-	-	-	-	-	-
Postage	1,068	-	1,159	306	-	2,533
Bank Charges	-	-	-	-	-	-
Telephone	1,372	-	1,579	-	-	14,505
Advertising	-	-	-	-	-	-
Insurance	97	-	-	-	-	97
Dues	-	-	-	-	-	40,001
Recruiting	-	-	-	-	-	-
Litigation	8	-	-	-	5,055	5,063
ESG Rental Assistance	-	-	-	-	-	-
Total other expenses	52,822	-	49,517	17,682	6,123	307,928
Total expenses before depr.	141,482	154,160	183,244	51,148	6,123	1,863,566
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-
Depreciation	-	-	-	-	-	65,052
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	(65,052)

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2009

	NON LSC TEMPORARILY RESTRICTED					TOTAL BCLS
	BCLS	BCLS NAACP	BCLS HCC	BCLS Hotline	BCLS PAI	
Support and revenue						
-Grants & Contracts	\$ 1,795,188	\$ 16,872	\$ 21,382	\$ 54,192	\$ 57,941	\$ 1,945,575
-Interest	-	-	-	-	-	-
-Donated Funds	-	-	-	-	-	-
-Donated Services	-	-	-	-	-	-
Loss on Disposal of Equipment						
Total Support and revenue	1,795,188	16,872	21,382	54,192	57,941	1,945,575
Salaries-Attorneys	1,029,086	-	15,918	43,392	6,238	1,094,634
Salaries-Other Prof & Support	200,414	12,568	-	-	36,818	249,800
Payroll Taxes	96,337	962	1,217	-	3,294	101,810
Fringe Benefits	315,037	3,330	4,247	-	11,591	334,205
Total Personnel	1,640,874	16,860	21,382	43,392	57,941	1,780,449
Legal Consultants-Donated	-	-	-	-	-	-
Contract Services	-	-	-	-	-	-
Travel & Training	6,980	-	-	-	-	6,980
Occupancy	88,026	-	-	-	-	88,026
Building Interest	-	-	-	-	-	-
Purchases & Materials	-	-	-	-	-	-
Data Network	17,113	-	-	-	-	17,113
Equipment Rental	-	-	-	-	-	-
Equipment Repairs	-	-	-	-	-	-
Office Supplies	20,724	12	-	-	-	20,736
Printing	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Telephone	21,471	-	-	10,800	-	32,271
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Dues	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	-	-	-
ESG Rental Assistance	-	-	-	-	-	-
Total other expenses	154,314	12	-	10,800	-	165,126
Total expenses before depr.	1,795,188	16,872	21,382	54,192	57,941	1,945,575
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, 2009

	NON LSC TEMPORARILY RESTRICTED				
	CVCLS	CITY OF DALLAS-ESG	DBA/CSF	DISTRICT ATTORNEY	DA VOCA
Support and revenue					
-Grants & Contracts	\$ 520,414	\$ 101,400	\$ 77,000	\$ 91,361	\$ 13,169
-Interest	-	-	-	-	-
-Donated Funds	-	-	-	-	-
-Donated Services	-	-	-	-	-
Loss on Disposal of Equipment					
Total Support and revenue	520,414	101,400	77,000	91,361	13,169
Salaries-Attorneys	368,522	27,176	47,028	67,636	12,641
Salaries-Other Prof & Support	20,236	-	10,991	-	-
Payroll Taxes	26,945	2,079	4,178	5,178	272
Fringe Benefits	95,017	4,311	14,803	18,547	256
Total Personnel	510,720	33,566	77,000	91,361	13,169
Legal Consultants-Donated	-	-	-	-	-
Contract Services	-	-	-	-	-
Travel & Training	4,149	-	-	-	-
Occupancy	5,545	-	-	-	-
Building Interest	-	-	-	-	-
Purchases & Materials	-	-	-	-	-
Data Network	-	-	-	-	-
Equipment Rental	-	-	-	-	-
Equipment Repairs	-	-	-	-	-
Office Supplies	-	-	-	-	-
Printing	-	-	-	-	-
Postage	-	-	-	-	-
Bank Charges	-	-	-	-	-
Telephone	-	-	-	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Dues	-	-	-	-	-
Recruiting	-	-	-	-	-
Litigation	-	-	-	-	-
ESG Rental Assistance	-	67,835	-	-	-
Total other expenses	9,694	67,835	-	-	-
Total expenses before depr.	520,414	101,401	77,000	91,361	13,169
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, 2009

	NON LSC TEMPORARILY RESTRICTED				
	FAMILY PLACE	STOP VAWA	HUD- HOMELESS	HUD- AMARILLO	TOTAL HUD
Support and revenue					
-Grants & Contracts	\$ 50,000	\$ 210,118	\$ 138,082	\$ 55,484	\$ 193,566
-Interest	-	-	-	-	-
-Donated Funds	-	-	-	-	-
-Donated Services	-	-	-	-	-
Loss on Disposal of Equipment					
Total Support and revenue	50,000	210,118	138,082	55,484	193,566
					0
Salaries-Attorneys	44,547	157,279	97,045	40,905	137,950
Salaries-Other Prof & Support	-	-	7,392	713	8,105
Payroll Taxes	1,501	11,751	7,396	3,175	10,571
Fringe Benefits	3,952	41,088	26,249	10,196	36,445
Total Personnel	50,000	210,118	138,082	54,989	193,071
Legal Consultants-Donated	-	-	-	-	-
Contract Services	-	-	-	-	-
Travel & Training	-	-	-	495	495
Occupancy	-	-	-	-	-
Building Interest	-	-	-	-	-
Purchases & Materials	-	-	-	-	-
Data Network	-	-	-	-	-
Equipment Rental	-	-	-	-	-
Equipment Repairs	-	-	-	-	-
Office Supplies	-	-	-	-	-
Printing	-	-	-	-	-
Postage	-	-	-	-	-
Bank Charges	-	-	-	-	-
Telephone	-	-	-	-	-
Advertising	-	-	-	-	-
Insurance	-	-	-	-	-
Dues	-	-	-	-	-
Recruiting	-	-	-	-	-
Litigation	-	-	-	-	-
ESG Rental Assistance	-	-	-	-	-
Total other expenses	-	-	-	495	495
Total expenses before depr.	50,000	210,118	138,082	55,484	193,566
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, 2009

	NON LSC TEMPORARILY RESTRICTED					
	CDBG	STATE				
	CITY OF IRVING	CITY OF IRVING	HPRP DALLAS	HPRP IRVING	OTHER	IRS
Support and revenue						
-Grants & Contracts	\$ 4,091	\$ 928	\$ 16,588	\$ 4,851	\$ 473	\$ 90,583
-Interest	-	-	-	-	-	-
-Donated Funds	-	-	-	-	-	-
-Donated Services	-	-	-	-	-	-
Loss on Disposal of Equipment						
Total Support and revenue	4,091	928	16,588	4,851	473	90,583
Salaries-Attorneys	3,069	697	12,503	3,643	360	64,451
Salaries-Other Prof & Support	-	-	-	-	-	7,824
Payroll Taxes	234	53	956	279	28	2,967
Fringe Benefits	788	178	3,129	929	85	8,892
Total Personnel	4,091	928	16,588	4,851	473	84,134
Legal Consultants-Donated	-	-	-	-	-	-
Contract Services	-	-	-	-	-	-
Travel & Training	-	-	-	-	-	4,291
Occupancy	-	-	-	-	-	-
Building Interest	-	-	-	-	-	-
Purchases & Materials	-	-	-	-	-	2,158
Data Network	-	-	-	-	-	-
Equipment Rental	-	-	-	-	-	-
Equipment Repairs	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Dues	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-
Litigation	-	-	-	-	-	-
ESG Rental Assistance	-	-	-	-	-	-
Total other expenses	-	-	-	-	-	6,449
Total expenses before depr.	4,091	928	16,588	4,851	473	90,583
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, 2009

NON LSC TEMPORARILY RESTRICTED

	UNITED WAY	UW PLEDGES	UW SAFE AT HOME	UW FAM VIOL	UW HOUSING	UW LATINO	TOTAL DALLAS UNITED WAY
Support and revenue							
-Grants & Contracts	\$ 230,208	\$ 5,988	\$ 63,697	\$ 78,329	\$ 12,749	\$ 56,774	\$ 447,745
-Interest	-	-	-	-	-	-	-
-Donated Funds	-	-	-	-	-	-	-
-Donated Services	-	-	-	-	-	-	-
Loss on Disposal of Equipment							
Total Support and revenue	230,208	5,988	63,697	78,329	12,749	56,774	447,745
Salaries-Attorneys	55,592	-	48,895	58,484	9,092	42,772	214,835
Salaries-Other Prof & Support	92,616	-	-	-	-	-	92,616
Payroll Taxes	9,679	-	3,372	4,320	695	3,097	21,163
Fringe Benefits	34,122	-	11,430	15,525	2,962	10,905	74,944
Total Personnel	192,009	-	63,697	78,329	12,749	56,774	403,558
Legal Consultants-Donated	-	-	-	-	-	-	-
Contract Services	44,188	-	-	-	-	-	44,188
Travel & Training	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-
Building Interest	-	-	-	-	-	-	-
Purchases & Materials	-	-	-	-	-	-	-
Data Network	-	-	-	-	-	-	-
Equipment Rental	-	-	-	-	-	-	-
Equipment Repairs	-	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Dues	-	-	-	-	-	-	-
Recruiting	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
ESG Rental Assistance	-	-	-	-	-	-	-
Total other expenses	44,188	-	-	-	-	-	44,188
Total expenses before depr.	236,197	-	63,697	78,329	12,749	56,774	447,746
Excess (deficiency) of support and revenue over expenses before depreciation	(5,989)	5,988	-	-	-	-	(1)
Depreciation	-	-	-	-	-	-	-
Excess (deficiency) of support and revenue over expenses after depreciation	\$ (5,989)	\$ 5,988	\$ -	\$ -	\$ -	\$ -	\$ (1)

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2009

	NON LSC TEMPORARILY RESTRICTED						
	UW	TOTAL OTHER	OAG	OAG	OVAG	VOCA	TOTAL
	KAUFMAN	UNITED WAY	HOTLINE	LUBBOCK	LUBBOCK		NON-LSC
Support and revenue							
-Grants & Contracts	\$ 12,000	\$ 12,000	\$ 228,588	\$ 35,130	\$ 54,655	\$ 279,338	\$ 6,241,141
-Interest	-	-	-	-	-	-	-
-Donated Funds	-	-	-	-	-	-	-
-Donated Services	-	-	-	-	-	-	-
Loss on Disposal of Equipment							
Total Support and revenue	12,000	12,000	228,588	35,130	54,655	279,338	6,241,141
Salaries-Attorneys	-	-	160,283	29,389	43,079	205,886	3,412,184
Salaries-Other Prof & Support	10,649	10,649	-	-	-	-	886,450
Payroll Taxes	747	747	10,701	1,020	2,662	15,118	300,422
Fringe Benefits	604	604	-	3,240	7,876	53,612	975,525
Total Personnel	12,000	12,000	170,984	33,649	53,617	274,616	5,574,581
Legal Consultants-Donated	-	-	-	-	-	-	-
Contract Services	-	-	1,430	-	-	-	98,866
Travel & Training	-	-	860	1,481	1,038	-	29,981
Occupancy	-	-	-	-	-	-	166,443
Building Interest	-	-	-	-	-	-	-
Purchases & Materials	-	-	-	-	-	-	71,250
Data Network	-	-	-	-	-	4,722	33,100
Equipment Rental	-	-	-	-	-	-	369
Equipment Repairs	-	-	-	-	-	-	1,046
Office Supplies	-	-	-	-	-	-	47,886
Printing	-	-	-	-	-	-	-
Postage	-	-	407	-	-	-	2,940
Bank Charges	-	-	-	-	-	-	-
Telephone	-	-	54,907	-	-	-	101,683
Advertising	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	97
Dues	-	-	-	-	-	-	40,001
Recruiting	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	5,063
ESG Rental Assistance	-	-	-	-	-	-	67,835
Total other expenses	-	-	57,604	1,481	1,038	4,722	666,560
Total expenses before depr.	12,000	12,000	228,588	35,130	54,655	279,338	6,241,141
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	65,052
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (65,052)

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2009

NON-LSC TEMPORARILY RESTRICTED - MISCELLANEOUS					
	STATE	WOMEN'S	RESTRICTED	TOTAL MISC	TOTAL NON-LSC
	BAR	ADVOC	MISC	RESTRICTED	TEMPORARILY RESTRICTED
Support and revenue					
-Grants & Contracts	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ 6,245,141
-Interest	-	-	-	-	-
-Donated Funds	-	47,260	17,481	64,741	64,741
-Donated Services	-	0.00	-	-	-
Loss on Disposal of Equipment					
Total Support and revenue	4,000	47,260	17,481	68,741	6,309,882
Salaries-Attorneys	-	42,263	1,307	43,570	3,455,754
Salaries-Other Prof & Support	3,999	-	2,800	6,799	893,249
Payroll Taxes	1	-	215	216	300,638
Fringe Benefits	-	-	-	-	975,525
Total Personnel	4,000	42,263	4,322	50,585	5,625,166
Legal Consultants-Donated	-	-	-	-	-
Contract Services	-	-	295	295	99,161
Travel & Training	-	-	-	-	29,981
Occupancy	-	-	-	-	166,443
Building Interest	-	-	-	-	-
Purchases & Materials	-	-	1,497	1,497	72,747
Data Network	-	-	750	750	33,850
Equipment Rental	-	-	-	-	369
Equipment Repairs	-	-	-	-	1,046
Office Supplies	-	587	7,368	7,955	55,841
Printing	-	2,070	-	2,070	2,070
Postage	-	2,340	127	2,467	5,407
Bank Charges	-	-	-	-	-
Telephone	-	-	-	-	101,683
Advertising	-	-	-	-	-
Insurance	-	-	-	-	97
Dues	-	-	-	-	40,001
Recruiting	-	-	974	974	974
Litigation	-	-	478	478	5,541
ESG Rental Assistance	-	-	-	-	67,835
Total other expenses	-	4,997	11,489	16,486	683,046
Total expenses before depr.	4,000	47,260	15,811	67,071	6,308,212
Excess (deficiency) of support and revenue over expenses before depreciation	-	-	1,670	1,670	1,670
Depreciation	-	-	3,991	3,991	69,043
Excess (deficiency) of support and revenue over expenses after depreciation	\$ -	\$ -	\$ (2,321)	\$ (2,321)	\$ (67,374)

See the accompanying auditors' report.

LEGAL AID OF NORTHWEST TEXAS
Statement of Support, Revenues and Expenses
For the Year Ended December 31, 2009

	UNRESTRICTED			2009 TOTALS	2008 TOTALS
	DBA- JT CAMPAIGN	UNRESTRICTED GENERAL	TOTAL UNRESTRICTED GENERAL		
Support and revenue					
-Grants & Contracts	\$ -	\$ -	\$ -	\$ 14,313,898	\$ 14,144,002
-Interest	-	-	-	4,138	45,240
-Donated Funds	207,297	27,079	234,376	299,117	86,008
-Donated Services	-	-	-	4,433,242	5,180,767
Loss on Disposal of Equipment					(34)
Total Support and revenue	207,297	27,079	234,376	19,050,395	19,455,983
Salaries-Attorneys	29,871	3,317	33,188	4,976,727	5,380,846
Salaries-Other Prof & Support	48,837	-	48,837	3,259,142	3,316,092
Payroll Taxes	4,929	254	5,183	604,219	642,056
Fringe Benefits	39,917	856	40,773	2,084,633	2,342,809
Total Personnel	123,554	4,427	127,981	10,924,721	11,681,803
Legal Consultants-Donated	-	-	-	4,433,242	5,180,767
Contract Services	1,612	15,000	16,612	259,996	270,468
Travel & Training	829	125	954	258,708	220,351
Occupancy	34,513	-	34,513	782,487	796,421
Building Interest	-	17,929	17,929	136,326	38,536
Purchases & Materials	1,621	-	1,621	170,397	98,201
Data Network	1,034	-	1,034	114,094	114,201
Equipment Rental	519	-	519	8,361	2,269
Equipment Repairs	1,719	-	1,719	112,168	124,933
Office Supplies	2,494	539	3,033	181,846	144,741
Printing	924	-	924	6,215	4,106
Postage	5,118	-	5,118	102,808	100,969
Bank Charges	-	-	-	10,866	7,733
Telephone	31,233	-	31,233	270,180	246,015
Advertising	-	-	-	5,480	4,723
Insurance	2,127	-	2,127	37,103	39,285
Dues	-	-	-	40,001	41,564
Recruiting	-	-	-	9,605	7,114
Litigation	-	1,500	1,500	32,025	19,274
ESG Rental Assistance	-	-	-	67,835	30,189
Total other expenses	83,743	35,093	118,836	7,039,743	7,491,860
Total expenses before depr.	207,297	39,520	246,817	17,964,464	19,173,663
Excess (deficiency) of support and revenue over expenses before depreciation	-	(12,441)	(12,441)	1,085,932	282,320
Depreciation	2,259	22,958	25,217	304,184	306,194
Excess (deficiency) of support and revenue over expenses after depreciation	\$ (2,259)	\$ (35,399)	\$ (37,658)	\$ 781,747	\$ (23,875)

See the accompanying auditors' report.

Legal Aid of Northwest Texas
Private Attorney Involvement-
Schedule of Expenditures
For the Year Ended December 31, 2009

Personnel Expenses

Salaries and Wages	
Attorneys	\$ 117,391
Non-attorneys	643,273
Payroll Taxes	55,962
Fringe Benefits	<u>195,308</u>
 Total Personnel Expenses	 \$ 1,011,934

Other Expenses

Contract Services	5,728
Travel and training	20,282
Occupancy	85,933
Materials	5,301
Data Network	10,655
Rent or lease of equipment	897
Maintenance and repairs	12,572
Office Supplies	26,307
Printing	1,011
Postage and freight	14,247
Bank service charges	694
Telephone	39,752
Advertising	503
Insurance	4,391
Recruiting	1,434
Litigation	<u>1,193</u>
 Total Other Expenses	 \$ <u>230,900</u>

Total Expenses \$ 1,242,834

Note: Private Attorney Involvement expenses represent 15.4% of the 2009 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, 2009

Grantor/ Passed Through Grantor/ Program Title	CFDA	Contract Number	Expenditures
<u>Legal Services Corporation</u>			
Legal Services Corporation			
Basic Field Grant	na	744050	\$ 8,068,757
Total Legal Services Corporation			<u>8,068,757</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct:			
Supportive Housing Program	14.235	TX01B711001	25,502
		TX0051B6T000801	29,982
			<u>55,484</u>
Supportive Housing Program	14.235	TX01B700028	64,005
		TX0051B6T000801	74,077
			<u>138,082</u>
Passed through City of Dallas, TX:			
Emergency Shelter Grant	14.231	08-2050	94,029
		09-666B	7,371
			<u>101,400</u>
ARRA-Homeless Prevention CFDA Recovery			
Passed through:			
City of Irving , TX	14.257	na	4,851
City of Irving , TX - TDHCA	14.257	na	928
City of Dallas , TX	14.257	09-2072	16,588
			<u>22,367</u>
Passed through City of Irving, TX			
Community Development Block Grant			
City of Irving , TX - CDBG	14.218	na	4,091
Total U.S. Department of Housing and Urban Development			<u>321,424</u>

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, 2009

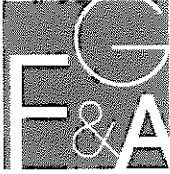
(continued)

Grantor/ Passed Through Grantor/ Program Title	CFDA	Contract Number	Expenditures
U.S. Department of Treasury			
Internal Revenue Service			
Low Income Taxpayers Clinic	21.008	2009146	90,583
Total U.S. Department of Treasury			90,583
U.S. Department of Justice			
Passed through Texas Governor's Criminal Justice Division			
Stop Violence Against Women	16.575	18471-04	133,872
		18471-05	76,246
			210,118
Victims of Crime - Rural Safe at Home Project	16.575	16964-05	137,208
		2118301	30,348
		16964-06	111,782
			279,338
Passed through Dallas County District Attorney			
Violence Against Women	16.575	6007	13,169
Encourage Arrest Program	16.590	6200	91,361
Total U.S. Department of Justice			593,986
U.S. Department of Health and Human Services			
Passed through:			
State of Texas Office of Attorney General			
Access and Visitation Grant	93.597	09-C0104	35,130
Access and Visitation Grant	93.597	09-C0107	228,587
less State Support			(75,412)
			188,305
Total U.S. Department of Health and Human Services			188,305
Total Expenditures of Federal Awards			\$ 9,263,055

See accompanying auditors' report.

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.



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

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

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

We have audited the financial statements of Legal Aid of NorthWest Texas, (a nonprofit organization), as of and for the year ended December 31, 2009 and have issued our report thereon dated March 29, 2010. We conducted our audit in accordance with standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, and in accordance with the Legal Services Corporation Guide for Recipients and Auditors, dated November 1996, as revised.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Legal Aid of NorthWest Texas' 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 Legal Aid of NorthWest Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of its internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

1008 Perry Blvd. Suite 430 Dallas, Texas 75208
Phone: (214) 337-5000 Fax: (214) 337-5030 Internet: www.fraziergills.com

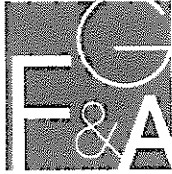
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Legal Aid of NorthWest Texas' 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 for the information of management, the Board of Directors of Legal Aid of NorthWest Texas, others within the entity, Legal Services Corporation, 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.

March 29, 2010

Frazier Hills, P.C.



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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Legal Aid of NorthWest Texas with the types of compliance requirements described in the *Legal Services Corporation Compliance Supplement for Audits of LSC Recipients* dated December 1998 and 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, 2009. 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 management. Our responsibility is to express an opinion on Legal Aid of NorthWest Texas' 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, OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, and the *Legal Services Corporation Guide for Recipients and Auditors* dated November 1996. 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' 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 on Legal Aid of NorthWest Texas' 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, 2009.

Internal Control Over Compliance

Management of Legal Aid of NorthWest Texas is responsible for establishing and maintaining effective internal control over compliance with requirement of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Legal Aid of NorthWest Texas' internal control over compliance with requirements that could have direct and material effect on a major federal program in order to determine our auditing procedures for the purposes of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 for the information and use of management, the Board of Directors of Legal Aid of NorthWest Texas, Legal Services Corporation, 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.

March 29, 2010

Franz Hills, P.C.

LEGAL AID OF NORTHWEST TEXAS
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of
 Legal Aid of NorthWest Texas.

2. Internal control of financial reporting:

* Material weaknesses identified? _____ Yes X No

* Significant deficiencies identified that are
 not considered to be material weaknesses? _____ Yes X No

* Noncompliance material to financial
 statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

* Material weaknesses identified? _____ Yes X No

* Reportable conditions identified that are
 not considered to be material weaknesses? _____ Yes X No

3. Type of auditors' report issued on compliance for major program: **unqualified**

4. Any audit findings disclosed that are required
 to be reported in accordance with section
 510(a) of Circular A-133 _____ Yes X No

5. Identification of major programs:

<u>CFDA Number</u>	09.744050	Legal Services Corporation
<u>CFDA Number</u>	16.575	Victims of Crime

6. Dollar threshold used to distinguish
 between type A and type B programs: \$300,000

7. Auditee qualified as low-risk auditee? _____ Yes X No

LEGAL AID OF NORTHWEST TEXAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

None reported.