

Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

June 12, 2009

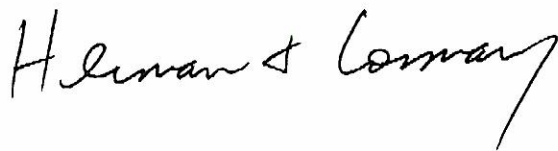
Legal Aid of West Virginia, Inc.
922 Quarrier St., 4th Floor
Charleston, WV 25301

In planning and performing our audit of the financial statements of Legal Aid of West Virginia, Inc. for the year ended December 31, 2008, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on the Organization's internal control in our report dated June 12, 2009. This letter does not affect our report dated June 12, 2009, on the financial statements of Legal Aid of West Virginia, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



HERMAN & CORMANY,
CERTIFIED PUBLIC ACCOUNTANTS, A.C.

Allocation of Indirect Costs

The Organization is properly performing a calculation of its indirect costs and is allocating to the various grants and programs in accordance with its plan provisions. While performing this allocation, certain programs are charged their share of the costs, and they cannot absorb those costs due to limitations on the amount that can be charged. The Organization is currently having unrestricted funds absorb these costs incurred in excess of the chargeable amount.

However, certain programs are charged amounts which it cannot absorb due to funding limitations, not grant chargeable limitations, and these amounts are not reduced by the organization and are adjusted during the audit. The Organization should develop another layer of allocation to properly record these costs with the various programs in a consistent manner.

Legal Aid of West Virginia, Inc.

LSC Grant Recipient Number 449041

**Independent Auditors' Report
and
Financial Statements**

December 31, 2008

Legal Aid of West Virginia, Inc.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-13
Supplementary Information	
Independent Auditors' Report on Supplementary Information	14
Schedule of Expenditures by Funding Sources	15
Schedule of Indirect Costs	16
Schedule of Private Attorney Involvement Expenses.....	17
Schedule of Support, Revenue, Expenses and Changes in Net Assets.....	18
Schedule of BHHF Funding Status for Agreement Number G070029,G080049, and G070737.....	19
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	22-24
Schedule of Expenditures of Federal Awards	25
Schedule of Findings and Questioned Costs	26-27

Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

Independent Auditors' Report

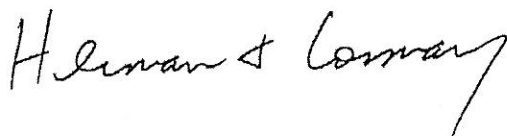
To the Board of Directors
Legal Aid of West Virginia, Inc.
Charleston, West Virginia

We have audited the accompanying statement of financial position of Legal Aid of West Virginia, Inc. (a nonprofit organization), as of December 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Legal Aid of West Virginia, Inc.'s 2007 financial statements and, in our report dated April 30, 2008, we expressed an unqualified opinion on those financial statements.

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 the provisions of the Legal Services Corporation's "Audit Guide for Recipients and Auditors, November 1996" and "Compliance Supplement For Audits of LSC Recipients". 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 West Virginia, Inc., as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2009 on our consideration of Legal Aid of West Virginia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Charleston, West Virginia
June 12, 2009

1031 Quarrier Street, Suite 511 • Charleston, WV 25301-2397 • (304) 345-2320 • (304) 345-2325 fax
www.herman-cormanycpas.com



Legal Aid of West Virginia, Inc.

Statement of Financial Position

**December 31, 2008, with Comparative Totals
as of December 31, 2007**

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$1,181,853	\$ 462,912
Client escrow funds	23,524	29,179
Grants and programs receivable	434,157	461,521
Pledges and other receivables	35,691	21,827
Prepaid expenses	23,672	3,650
Furniture and equipment	<u>65,948</u>	<u>82,412</u>
Total Assets	<u>\$1,764,845</u>	<u>\$1,061,501</u>
Liabilities and Net Assets		
Accounts payable	\$ 173,732	\$ 124,448
Accrued taxes and withholdings	5,462	17,761
Client trust deposits	23,524	29,179
Accrued payroll and annual leave	151,893	110,148
Grant and other funds received in advance	<u>575,128</u>	<u>71,313</u>
Total Liabilities	<u>929,739</u>	<u>352,849</u>
Net Assets		
Unrestricted	722,534	618,243
Temporarily restricted		
Legal Services Corporation-grant	70,981	62,905
Legal Services Corporation-property	29,136	25,658
Unconditional promises to give	<u>12,455</u>	<u>1,846</u>
Total temporarily restricted net assets	<u>112,572</u>	<u>90,409</u>
Total Net Assets	<u>835,106</u>	<u>708,652</u>
Total Liabilities and Net Assets	<u>\$1,764,845</u>	<u>\$1,061,501</u>

See independent auditors' report and notes to financial statements.

Legal Aid of West Virginia, Inc.

Statement of Activities

For the Year Ended December 31, 2008, with Comparative Totals
for the Year Ended December 31, 2007

	2008			2007 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues, Gains, and Other Support				
Grants				
Legal Services Corporation	\$ -0-	\$2,878,740	\$2,878,740	\$2,816,865
West Virginia Fund for Law in the Public Interest, Inc.	-0-	78,400	78,400	55,400
West Virginia Department of Health and Human Resources	-0-	2,732,835	2,732,835	2,257,364
West Virginia Bureau of Senior Services	-0-	653,870	653,870	638,866
WV Coalition Against Domestic Violence	-0-	146,461	146,461	146,227
Prestera Center for Mental Health	-0-	66,754	66,754	-0-
Other grants	-0-	51,893	51,893	22,683
Interest on Lawyers Trust Account	325,124	-0-	325,124	405,938
ATLAS-Cy Pres	-0-	1,459	1,459	-0-
Fund raising	182,977	-0-	182,977	94,260
United Way	75,218	-0-	75,218	56,530
Interest	4,781	-0-	4,781	10,398
West Virginia State Bar	95,625	-0-	95,625	95,625
Other contributions and revenues	19,809	-0-	19,809	5,990
In-kind contributions	-0-	313,792	313,792	311,108
Net assets released from restrictions				
Satisfaction of grant activities	6,586,790	(6,586,790)	-0-	-0-
Satisfaction of program and time requirements	315,251	(315,251)	-0-	-0-
Total Revenues, Gains, and Other Support	<u>7,605,575</u>	<u>22,163</u>	<u>7,627,738</u>	<u>6,917,254</u>
Expenses and Losses				
Grants				
Legal Services Corporation	2,862,057	-0-	2,862,057	2,812,817
West Virginia Fund for Law in the Public Interest, Inc.	98,710	-0-	98,710	64,578
West Virginia Department of Health and Human Resources	2,732,835	-0-	2,732,835	2,257,364
West Virginia Bureau of Senior Services	653,870	-0-	653,870	639,036
WV Coalition Against Domestic Violence	146,461	-0-	146,461	146,227
Prestera Center for Mental Health	70,594	-0-	70,594	-0-
Other grants	51,893	-0-	51,893	22,683
Interest on Lawyers Trust Account	257,347	-0-	257,347	234,571
Fund raising	14,895	-0-	14,895	4,522
United Way	82,703	-0-	82,703	43,405
Depreciation	23,921	-0-	23,921	23,674
Other non-grant program expenses	192,206	-0-	192,206	217,881
In-kind expenses	313,792	-0-	313,792	311,108
Total Expenses and Losses	<u>7,501,284</u>	<u>-0-</u>	<u>7,501,284</u>	<u>6,777,866</u>
Change in Net Assets	104,291	22,163	126,454	139,388
Net Assets, Beginning of Year	<u>618,243</u>	<u>90,409</u>	<u>708,652</u>	<u>569,264</u>
Net Assets, End of Year	\$ 722,534	\$ 112,572	\$ 835,106	\$ 708,652

See independent auditors' report and notes to financial statements.

Legal Aid of West Virginia, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2008, with Comparative Totals
for the Year Ended December 31, 2007

	<u>2008</u>	<u>2007</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 126,454	\$ 139,388
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	23,921	23,674
Decrease (increase) in grants and programs receivable	27,364	(75,819)
(Increase) decrease in pledges and other receivables	(13,864)	33,316
(Increase) decrease in prepaid expenses	(20,022)	28,588
Increase in accounts payable	49,284	9,508
Decrease in accrued taxes and withholdings	(12,299)	(585)
Increase in accrued payroll and annual leave	41,745	23,706
Increase (decrease) in grant and other funds received in advance	<u>503,815</u>	<u>(105,185)</u>
Net Cash Provided By Operating Activities	<u>726,398</u>	<u>76,591</u>
 Cash Flows From Investing Activities		
Expenditures for furniture and equipment	<u>(7,457)</u>	<u>(15,273)</u>
Net Cash Used In Investing Activities	<u>(7,457)</u>	<u>(15,273)</u>
 Cash Flows From Financing Activities	<u>-0-</u>	<u>-0-</u>
 Net Increase in Cash	718,941	61,318
 Cash, Beginning of Year	<u>462,912</u>	<u>401,594</u>
 Cash, End of Year	<u>\$1,181,853</u>	<u>\$ 462,912</u>

See independent auditors' report and notes to financial statements.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative Totals
as of December 31, 2007

Note A – Summary of Significant Accounting Policies

Organization - Legal Aid of West Virginia, Inc. was formed as of January 1, 2002 from the merger of West Virginia Legal Services Plan, Inc. and Appalachian Legal Services, Inc. The Organization represents low income individuals in civil legal matters, provides regional long-term care ombudsmen services throughout the State of West Virginia, assists victims of domestic violence and provides advocacy services to the residents of the community and in-patient behavioral health facilities operated by the State of West Virginia.

Classification of Support - The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 on the statement of activities as net assets released from restrictions.

Use of Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Basis of Accounting – The Organization prepares its financial statements on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

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

Furniture and Equipment - Furniture and equipment items are recorded at cost. All expenditures for property and equipment in excess of \$5,000 are capitalized. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the assets. The classification of these capitalized items at December 31, 2008 and 2007 are classified in the accompanying financial statements as follows:

<u>December 31, 2008</u>	<u>LSC Property</u>	<u>Other Funds</u>	<u>Total</u>
Furniture and equipment	\$193,635	\$104,079	\$297,714
Leasehold improvements	49,649	118,915	168,564
Law library	47,809	-0-	47,809
Software development costs	<u>10,000</u>	<u>-0-</u>	<u>10,000</u>
	301,093	222,994	524,087
Less accumulated depreciation	<u>271,957</u>	<u>186,182</u>	<u>458,139</u>
	\$ 29,136	\$ 36,812	\$ 65,948

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative Totals
as of December 31, 2007

Note A – Summary of Significant Accounting Policies – (Continued)

<u>December 31, 2007</u>	<u>LSC Property</u>	<u>Other Funds</u>	<u>Total</u>
Furniture and equipment	\$291,942	\$233,997	\$525,939
Leasehold improvements	50,043	121,415	171,458
Law library	47,809	-0-	47,809
Software development costs	<u>10,000</u>	<u>-0-</u>	<u>10,000</u>
	399,794	355,412	755,206
Less accumulated depreciation	<u>374,136</u>	<u>298,658</u>	<u>672,794</u>
	\$ 25,658	\$ 56,754	\$ 82,412

Income Taxes – The Organization is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and has been preliminarily classified as an Organization that is not a private foundation under Section 509(a)(2). The Organization is exempt from income taxes on income derived from nonprofit activities.

Comparative Financial Information – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

Statement of Cash Flows - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Reclassifications – Certain amounts in the 2007 financial statements have been reclassified to conform with 2008 classifications.

Note B – Office Rent

The Organization leases offices at several of its locations under lease agreements which expire at various times through January, 2012. The future minimum lease payments due under the leases are as follows:

<u>Year Ended</u>	<u>Amount</u>
2009	\$240,435
2010	84,282
2011	17,400
2012	1,450
Thereafter	<u>-0-</u>
	\$343,567

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative Totals
as of December 31, 2007

Note B – Office Rent (Continued)

Additionally, the Organization leases office space at its other locations under month to month lease agreements. Total rent expense for the years ended December 31, 2008 and 2007 was \$334,935 and \$303,648, respectively.

Note C – In-Kind Revenues and Expenses

During the years ended December 31, 2008 and 2007, the Organization received donations of private attorney fees and volunteer services to assist in carrying out its programs. These items were valued utilizing current service rates. During the years ended December 31, 2008 and 2007, the Organization received contributions totalling \$313,792 and \$311,108, respectively, related to these items.

Additionally, the grant awards received from the West Virginia Bureau of Senior Services requires that matching funds be received in addition to the grant funds received. The necessary matching funds are received from a portion of the donations described above and from indirect costs picked-up by the Interest on Lawyers Trust Accounts and funds received from various fundraising activities. Per the indirect cost allocations utilized by the Organization, a total of \$334,808 and \$194,314 of indirect costs were incurred by these programs for the years ended December 31, 2008 and 2007 which should have been incurred by other grants and programs. The breakdown of these indirect costs, by program, are as follows:

	<u>2008</u>	<u>2007</u>
WVDHHR (FAST and CLASP)	\$ 12,265	\$ -0-
Making Connections	-0-	-0-
West Virginia Bureau of Senior Services (Ombudsmen)	24,681	27,678
West Virginia Department of Health and Human Resources (TANF Project)	10,485	18,301
West Virginia Department of Health and Human Resources (Domestic Violence Legal Services)	39,574	49,376
Legal Services Corporation	208,937	71,646
United Way	11,444	6,422
WV Coalition Against Domestic Violence	13,123	10,497
West Virginia Fund for Law in the Public Interest, Inc.	<u>14,299</u>	<u>10,394</u>
	\$334,808	\$194,314

The indirect costs incurred by the Interest on Lawyers Trust Account and other donations received serve to meet the matching requirements of the grant received from the West Virginia Bureau of Senior Services.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative Totals
as of December 31, 2007

Note D – Private Attorney Involvement

As part of its funding received from the Legal Services Corporation, the Organization is required to devote an amount equal to 12.5% of its Basic Field grant award for the involvement of private sector attorneys in the delivery of legal assistance to eligible clients. During the years ended December 31, 2008 and 2007, the Organization expended 13.59% and 12.91%, respectively, of its funds received for the involvement of private sector attorneys.

Note E – Tax Deferred Annuity

The Organization maintains a tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. The plan allows for contributions of 6% of all employees salary up to an annual salary of \$15,000, and 5% of the employees' salary in excess of \$15,000, with reductions in the amount contributed on behalf of employees allowable upon approval by the board of directors. During the years ended December 31, 2008 and 2007, the Organization contributed \$318,695 and \$323,477, respectively, on behalf of employees related to the plan.

Note F – Program and Other Expenditures

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General operating 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.

Expenditures for the year ended December 31, 2008, with comparative totals as of December 31, 2007 are as follows:

	2008			2007 Totals	
	Legal Services Corporation	Other Programs	Property, Fund Raising and Donations		Totals
Salaries and wages	\$1,571,108	\$2,074,390	\$ 1,558	\$3,647,056	\$3,346,993
Payroll taxes and employee benefits	559,905	837,110	28,277	1,425,292	1,286,477
Contract services	61,768	38,998	5,530	106,296	84,391
Travel and meetings	82,111	281,867	-0-	363,978	328,850
Office and consumables	168,538	95,959	13,617	278,114	238,056
Depreciation	-0-	-0-	23,921	23,921	23,674
Indirect costs	119,713	482,340	128,469	730,522	716,230
Fundraising expenses	-0-	-0-	14,895	14,895	4,522
Occupancy	132,660	177,364	9,613	319,637	255,014
Equipment costs	19,730	23,174	-0-	42,904	29,874
Other expenses	146,524	85,038	3,315	234,877	152,677
In-kind expenses	310,042	3,750	-0-	313,792	311,108
	<u>\$3,172,099</u>	<u>\$4,099,990</u>	<u>\$229,195</u>	<u>\$7,501,284</u>	<u>\$6,777,866</u>

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative Totals
as of December 31, 2007

Note G – Net Assets Released From Restrictions

Net assets were released from donor and grant restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended December 31, 2008 and 2007 as follows:

	<u>2008</u>	<u>2007</u>
Purpose restriction accomplished:		
Grants		
Legal Services Corporation	\$2,862,057	\$2,812,817
West Virginia Fund for Law in the Public Interest, Inc.	78,400	55,400
West Virginia Department of Health and Human Resources	2,732,835	2,257,364
West Virginia Bureau of Senior Services	653,870	639,036
WV Coalition Against Domestic Violence	146,461	146,227
New York Community Trust	-0-	22,683
Pretera Center for Mental Health	66,754	-0-
Other grants and programs	47,872	18,450
Legal Services Corporation-property	-0-	3,878
In-kind contributions utilized under grant agreement	<u>313,792</u>	<u>311,108</u>
	\$6,902,041	\$6,266,963

Note H – Grant and Other Funds Received in Advance

At December 31, 2008 and 2007, the Organization had received grant and other funds in advance of expenditures incurred under these activities. Since the funds are restricted for their usage, these amounts are recorded as a liability in the accompanying financial statements. The programs related to these funds are as follows:

	<u>2008</u>	<u>2007</u>
WV Commission for National and Community Service	\$ -0-	\$ 2,718
WV Coalition Against Domestic Violence	-0-	42,956
Temporary Assistance for Needy Families	58,132	-0-
West Virginia Department of Health and Human Services (Domestic Violence Legal Services)	33,461	-0-
ATLAS-Cy Pres	467,608	-0-
West Virginia Welfare Reform Coalition	-0-	13,209
Other Grants and Programs	15,927	-0-
Greater Kanawha Valley Foundation - Access and Intake	<u>-0-</u>	<u>12,430</u>
	\$575,128	\$ 71,313

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative totals
as of December 31, 2007

Note I – Client Escrow Funds

The Organization collects funds from clients that are held in escrow in a separate bank account until expended for litigation costs for the client or returned to the client, if necessary. These funds are restricted for this intended purpose. At December 31, 2008 and 2007, the client escrow funds totaled \$23,524 and \$29,179, respectively.

Note J – Summary of Funding

The Organization's operations were funded during the year ended December 31, 2008 and 2007 in part through grants from the Legal Services Corporation (LSC). The total amount received from the LSC basic field grant during the years ended December 31, 2008 and 2007 was \$2,830,240 and \$2,816,365, respectively, which was comprised of \$2,794,821 and \$2,781,123 from the general fund and \$35,419 and \$35,242, respectively, from the migrant fund. Additionally, during the years ended December 31, 2008 and 2007, the Organization received funding from Technology Initiative Grants totaling \$48,500 and \$500, respectively. All LSC grant actions for the year ended December 31, 2008 expired at the end of the corresponding fiscal year.

During 2008 and 2007, Legal Aid of West Virginia, Inc. requested and expended funds in the amount of \$653,870 and \$638,866, respectively, from the West Virginia Bureau of Senior Services under the "Nursing Home Ombuds Program". These requested funds were comprised of \$337,101 and \$282,963 in federal funds and \$316,769 and \$355,903 in state funds for the years ended December 31, 2008 and 2007, respectively.

The Organization received \$78,400 and \$55,400 in restricted grants from The West Virginia Fund for Law in the Public Interest, Incorporated, for the years ended December 31, 2008 and 2007, respectively, which was designated and expended for law clerk wages, benefits, and related costs.

During the years ended December 31, 2008 and 2007, the Organization was involved in a contract with the West Virginia Department of Health and Human Resources, Office for Behavioral Health Services (OBHS) to supervise and administer the Advocacy Project at two behavioral health institutions and the community. For the years ended December 31, 2008 and 2007, the funding requested pursuant to these contracts totaled \$424,269 and \$401,624, respectively.

The Organization received \$325,124 and \$405,938 in funding from the West Virginia Bar Foundation's Interest on Lawyers Trust Accounts Program for the years ended December 31, 2008 and 2007, respectively. This grant was applied toward the cost of attorneys' salaries, benefits, and related costs and was accounted for as unrestricted net assets in the accompanying Statement of Activities.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative totals
as of December 31, 2007

Note J – Summary of Funding (Continued)

During the years ended December 31, 2008 and 2007, the Organization received funding of \$50,771 and \$32,437, respectively, from the United Way of Kanawha Valley relating to a pilot program for legal assistance to victims of domestic violence. These funds are utilized to aid in the costs of personnel, contract services, and other expenditures to assist in conducting the program.

During the years ended December 31, 2008 and 2007, the Organization received funds from the West Virginia Coalition Against Domestic Violence to strengthen direct civil legal assistance available to domestic violence victims. The funding received for the years ended December 31, 2008 and 2007 was \$146,461 and \$146,227, respectively.

During the years ended December 31, 2008 and 2007, the Organization received funds which were passed through the West Virginia Department of Health and Human Resources for the Temporary Assistance for Needy Families Block Grant. The funds were utilized to provide legal assistance to needy individuals who otherwise could not retain legal council. A total of \$1,312,494 and \$1,259,153 was received for the years ended December 31, 2008 and 2007, respectively.

Grants totaling \$549,388 and \$489,960, respectively, were received during the year from the West Virginia Department of Health and Human Resources related to funding for Domestic Violence Legal Services. The current grant extends through June 30, 2009, of which there was \$339,356 remaining to be requested under the program as of December 31, 2008.

During the years ended December 31, 2008 and 2007, the Organization received funding from local United Way organizations in southern West Virginia and Harrison, Jefferson and Berkeley counties in West Virginia. The funds are utilized to assist individuals in need of legal assistance that are the victims of domestic violence and to senior citizens related to issues involving consumer problems, tenancy matters, wills, etc. The amount received under these programs was \$24,447 and \$24,094, respectively, for the years ended December 31, 2008 and 2007, respectively.

The Pretera Center for Mental Health Services, Inc. provided funding during the year ended December 31, 2008 totalling \$66,754 to assist families with children with mental, emotional and behavioral disorders.

During the year ended December 31, 2008, the Organization received a class action settlement of \$469,066, which constituted their share of a settlement in a civil lawsuit in which the proceeds were earmarked by the presiding judge in the case for the Organization. These funds are utilized for non-litigation services and have been utilized to fund a phone answering service to provide assistance for legal questions without litigation.

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

December 31, 2008, with Comparative totals
as of December 31, 2007

Note J – Summary of Funding (Continued)

The West Virginia Department of Health and Human Resources provided funding during the years ended December 31, 2008 and 2007 for family outreach and support and children's legal advocacy. During the years ended December 31, 2008 and 2007, the Organization received \$446,684 and \$106,627, respectively, in funds related to these programs.

Note K – Concentration of Credit Risk

The Organization receives a significant portion of its revenue from private contributions and federal and state grant programs. A material reduction in the level of support would have a significant impact on the Organization's programs and activities and its ability to continue as a going concern.

Additionally, the Organization holds cash in various accounts in a local bank. The Federal Deposit Insurance Corporation (FDIC) insures accounts to a maximum of \$250,000 per depositor. At December 31, 2008, aggregate amounts in these accounts in excess of the \$250,000 limit may not be insured.

Note L – Pledges and Other Receivables

The Organization is conducting an ongoing fund-raising campaign to support the general operations of the organization. The promises to give as of December 31, 2008 and 2007 are unconditional and are due and payable at various dates through December, 2010. Promises to give receivable in more than one year are discounted at 6%. The unconditional promises to give at December 31, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Amount receivable in less than one year	\$23,236	\$20,617
Amount receivable in two to three years	<u>14,516</u>	<u>2,058</u>
Total unconditional promise to give	37,752	22,675
Less discount to net present value	<u>2,061</u>	<u>213</u>
Net unconditional promises at December 31, 2008 and 2007	35,691	22,462
Other miscellaneous receivables (deferred funds)	<u>-0-</u>	<u>(635)</u>
Total pledges and other receivables	<u>\$35,691</u>	<u>\$21,827</u>

Legal Aid of West Virginia, Inc.

Notes to Financial Statements

**December 31, 2008, with Comparative totals
as of December 31, 2007**

Note M – Assets Transferred to Donor-Designated Fund

The Organization has a beneficial interest in the Legal Aid of West Virginia, Inc. Fund held with the Greater Kanawha Valley Foundation. The Organization, based upon the donor's designation, has granted the Greater Kanawha Valley Foundation variance power. Therefore, based upon the provisions of FASB Statement No. 136, *Transfers of Assets to a Not-for-Profit Organization That Raises or Holds Contributions for Others*, the assets are not recorded in the Statement of Financial Position. The total amount held in the Legal Aid of West Virginia, Inc. Fund was \$86,925 and \$120,731 at December 31, 2008 and 2007, respectively. Distributions received during the years ended December 31, 2008 and 2007 of \$2,756 and \$1,520, respectively, are recorded as unrestricted revenue in the accompanying statement of activities.

Supplementary Information

Herman & Cormany

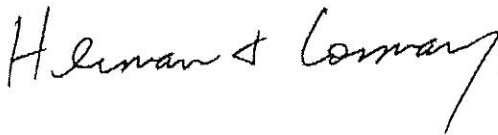
Certified Public Accountants, A.C.

Accountants & Consultants

Independent Auditors' Report on Supplementary Information

To the Board of Directors
Legal Aid of West Virginia, Inc.
Charleston, West Virginia

Our report on our audit of the basic financial statements of Legal Aid of West Virginia, Inc. for the year ended December 31, 2008 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 14 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.



Charleston, West Virginia
June 12, 2009

Legal Aid of West Virginia, Inc.
Schedule of Expenditures by Funding Sources
For the Year Ended December 31, 2008

	<u>Total</u>	<u>Legal Services Corporation</u>	<u>Temporary Asst. for Needy Families</u>	<u>WV Fund for Law in the Public Interest</u>
Total Funding and Revenues	\$7,313,946	\$2,878,740	\$1,312,494	\$78,400
Expenditures				
Salaries and wages	\$3,647,056	\$1,571,108	\$702,261	\$73,829
Payroll taxes and employee benefits	1,425,292	559,905	292,792	16,466
Contract services	106,296	61,768	2,338	-0-
Travel and meetings	363,978	82,111	52,207	4,809
Consumables	187,280	122,880	15,692	500
Copying and stationery	4,920	400	1,067	-0-
Telephone	144,416	81,088	13,573	544
Parking	20,632	9,846	3,990	596
Litigation expense	20,160	11,810	3,507	150
Depreciation	23,921	-0-	-0-	-0-
Equipment costs	42,904	19,730	11,084	-0-
Occupancy	319,637	132,660	78,242	1,223
Other office expenses	90,834	45,658	10,214	581
Indirect costs	730,522	119,713	125,527	-0-
Fundraising expenses	14,895	-0-	-0-	-0-
Library	44,749	43,380	-0-	12
	<u>\$7,187,492</u>	<u>\$2,862,057</u>	<u>\$1,312,494</u>	<u>\$98,710</u>

Note: Schedule information does not reflect in-kind contributions received and equipment purchased by each program during the year and does not necessarily agree, by grant program, to the Statement of Activities since interest income and other donations may be included in this schedule that are not recorded as grant revenues in the Statement of Activities.

See independent auditors' report on supplementary information.

<u>United Way</u>	<u>WV Coalition Against Domestic Violence</u>	<u>Department of Health and Prester- Advocacy Program</u>	<u>WV Bureau of Senior Services</u>	<u>Interest on WV Lawyers Trust Account</u>	<u>Property, Fund Raising and Donations</u>	<u>Other Grants and Programs</u>	<u>Domestic Violence</u>
\$75,218	\$146,461	\$941,548	\$653,870	\$325,124	\$289,351	\$63,352	\$549,388
\$59,088	\$ 87,122	\$443,927	\$327,631	\$ 27,436	\$ 1,558	\$24,894	\$328,202
20,064	29,987	209,218	136,196	10,605	28,277	7,600	114,182
690	3,580	267	17,999	-0-	5,530	80	14,044
1,384	7,459	104,680	78,871	1,351	-0-	4,294	26,812
6	4,467	32,566	6,337	-0-	3,784	261	787
-0-	-0-	1,428	1,120	-0-	905	-0-	-0-
-0-	1,772	17,856	12,244	-0-	1,702	12,930	2,707
-0-	-0-	4,020	838	315	669	-0-	358
1,353	374	170	-0-	-0-	-0-	-0-	2,796
-0-	-0-	-0-	-0-	-0-	23,921	-0-	-0-
-0-	562	10,553	875	-0-	-0-	100	-0-
-0-	6,948	35,096	26,388	-0-	9,613	-0-	29,467
93	440	6,084	6,185	5,685	9,833	20	6,041
-0-	3,750	75,419	38,895	211,955	128,469	2,802	23,992
-0-	-0-	-0-	-0-	-0-	14,895	-0-	-0-
25	-0-	264	291	-0-	39	738	-0-
<u>\$82,703</u>	<u>\$146,461</u>	<u>\$941,548</u>	<u>\$653,870</u>	<u>\$257,347</u>	<u>\$229,195</u>	<u>\$53,719</u>	<u>\$549,388</u>

Legal Aid of West Virginia, Inc.

Schedule of Indirect Costs

For the Year Ended December 31, 2008

Salaries	\$433,406
Payroll taxes and fringe benefits	108,442
Travel and meetings	7,246
Office space	60,833
Consumables	9,466
Contract services	12,919
Postage	5,680
Equipment costs	27,230
Telephone	21,709
Parking	3,800
Library	14,159
Insurance and bonding	19,675
Other office expenses	<u>5,957</u>
	<u>\$730,522</u>

See independent auditors' report on supplementary information.

Legal Aid of West Virginia, Inc.
Schedule of Private Attorney Involvement Expenses
For the Year Ended December 31, 2008

Salaries and wages	\$368,491
Payroll taxes and employee benefits	77,659
Contract services	22,615
Donated services	310,042
Travel and meetings	8,879
Training and legal	9,632
Occupancy	7,859
Other office expenses	8,877
Postage	1,055
Parking	1,280
	<u>\$816,389</u>

See independent auditors' report on supplementary information.

Legal Aid of West Virginia, Inc.
Schedule of Support, Revenue, Expenses and Changes in Net Assets
For the Year Ended December 31, 2008

	<u>LSC</u>	<u>Temporary Asst. for Needy Families</u>	<u>WV Fund for Law in the Public Interest</u>	<u>WV Coalition Against Domestic Violence</u>
Total Funding and Revenues	\$3,188,782	\$1,312,494	\$78,400	\$146,461
Expenditures				
Salaries and wages	\$1,571,108	\$ 702,261	\$ 73,829	\$ 87,122
Payroll taxes and employee benefits	559,905	292,792	16,466	29,987
Contract services	61,768	2,338	-0-	3,580
Donated Services, Facilities, etc.	310,041	-0-	-0-	-0-
Travel and meetings	82,111	52,207	4,809	7,459
Consumables	122,880	15,692	500	4,467
Copying and stationery	400	1,067	-0-	-0-
Telephone	81,088	13,573	544	1,772
Parking	9,846	3,990	596	-0-
Litigation expense	11,810	3,507	150	374
Depreciation	-0-	-0-	-0-	-0-
Equipment costs	19,730	11,084	-0-	562
Occupancy	132,660	78,242	1,223	6,948
Other office expenses	45,658	10,214	581	440
Indirect costs	119,713	125,527	-0-	3,750
Fundraising expenses	-0-	-0-	-0-	-0-
Library	43,380	-0-	12	-0-
Total Expenditures	<u>3,172,098</u>	<u>1,312,494</u>	<u>98,710</u>	<u>146,461</u>
Purchase of Equipment	<u>8,608</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Expenditures and Purchase of Equipment	<u>3,180,706</u>	<u>1,312,494</u>	<u>98,710</u>	<u>146,461</u>
Total Changes in Net Assets	8,076	-0-	(20,310)	-0-
Net Assets				
Beginning of Year	<u>62,905</u>	<u>-0-</u>	<u>(63,282)</u>	<u>-0-</u>
End of Year	\$ 70,981	\$ -0-	\$ (83,592)	\$ -0-

Note: Program deficits in programs that have been completed will be absorbed by the unrestricted funds held by the Organization.

See independent auditors' report on supplementary information.

<u>Domestic Violence</u>	<u>Dept of Health and Presteria- Advocacy Program</u>	<u>WV Bureau of Senior Services</u>	<u>Interest on Lawyers Trust Account</u>	<u>Fund Raising and Other Programs</u>	<u>Total</u>	<u>Property and Equipment</u>	<u>Grand Total</u>
\$549,388	\$941,548	\$657,621	\$325,124	\$427,920	\$7,627,738	\$ -0-	\$7,627,738
\$328,202	\$443,927	\$327,631	\$ 27,436	\$ 85,540	\$3,647,056	\$ -0-	\$3,647,056
114,182	209,218	136,196	10,605	55,941	1,425,292	-0-	1,425,292
14,044	267	17,999	-0-	6,300	106,296	-0-	106,296
-0-	-0-	3,751	-0-	-0-	313,792	-0-	313,792
26,812	104,680	78,871	1,351	5,678	363,978	-0-	363,978
787	32,566	6,337	-0-	4,051	187,280	-0-	187,280
-0-	1,428	1,120	-0-	905	4,920	-0-	4,920
2,707	17,856	12,244	-0-	14,632	144,416	-0-	144,416
358	4,020	838	315	669	20,632	-0-	20,632
2,796	170	-0-	-0-	1,353	20,160	-0-	20,160
-0-	-0-	-0-	-0-	-0-	-0-	23,921	23,921
-0-	10,553	875	-0-	100	42,904	-0-	42,904
29,467	35,096	26,388	-0-	8,462	318,486	1,151	319,637
6,041	6,084	6,185	5,685	9,946	90,834	-0-	90,834
23,992	75,419	38,895	211,955	131,271	730,522	-0-	730,522
-0-	-0-	-0-	-0-	14,895	14,895	-0-	14,895
-0-	264	291	-0-	802	44,749	-0-	44,749
549,388	941,548	657,621	257,347	340,545	7,476,212	25,072	7,501,284
-0-	-0-	-0-	-0-	-0-	8,608	(8,608)	-0-
<u>549,388</u>	<u>941,548</u>	<u>657,621</u>	<u>257,347</u>	<u>340,545</u>	<u>7,484,820</u>	<u>16,464</u>	<u>7,501,284</u>
-0-	-0-	-0-	67,777	87,375	142,918	(16,464)	126,454
(15)	-0-	-0-	407,378	219,251	626,237	82,415	708,652
\$ (15)	\$ -0-	\$ -0-	\$475,155	\$306,626	\$ 769,155	\$ 65,951	\$ 835,106

Legal Aid of West Virginia, Inc.

Schedule of BHHF Funding Status for Agreement Number G070029, G080049, and G070737

Contract Year Ended June 30, 2008

<u>BHHF Account Number</u>	<u>Final BHHF Award</u>	<u>Deferred Revenue June 30, 2007</u>	<u>Amount Earned And Billed</u>	<u>Deferred Revenue June 30, 2008</u>	<u>Amount Not Billed</u>	<u>Amount Collected</u>
5156-2008-2874-335-252	\$237,176	\$-0-	\$237,176	\$-0-	\$-0-	\$237,176
5156-2008-2926-335-252	55,207	-0-	55,207	-0-	-0-	55,207
5156-2008-2927-335-252	115,324	-0-	115,324	-0-	-0-	115,324
8794-2008-2913-096-128-14153	180,000	-0-	180,000	-0-	-0-	180,000
0525-2007-3040-219-258	<u>60,000</u>	<u>-0-</u>	<u>60,000</u>	<u>-0-</u>	<u>-0-</u>	<u>60,000</u>
	\$647,707	\$-0-	\$647,707	\$-0-	\$-0-	\$647,707

See independent auditors' report on supplementary information.

Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

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 West Virginia, Inc.
Charleston, West Virginia

We have audited the financial statements of Legal Aid of West Virginia, Inc. (a nonprofit organization), as of and for the year ended December 31, 2008, and have issued our report thereon dated June 12, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Legal Aid of West Virginia, Inc.'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 Legal Aid of West Virginia, Inc.'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.



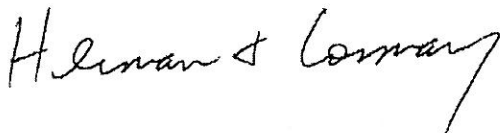
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies 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 West Virginia, Inc.'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*.

We noted certain matters that we reported to management of Legal Aid of West Virginia, Inc. in a separate letter dated June 12, 2009.

This report is intended solely for the information and use of the audit committee, management, others within the organization 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.



Charleston, West Virginia
June 12, 2009

Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

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
Legal Aid of West Virginia, Inc.
Charleston, West Virginia

Compliance

We have audited the compliance of Legal Aid of West Virginia, Inc. (a nonprofit organization) 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, 2008. Legal Aid of West Virginia, Inc.'s major federal programs are identified in the summary of auditors' 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 West Virginia, Inc.'s management. Our responsibility is to express an opinion on Legal Aid of West Virginia, Inc.'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the provisions of the Legal Services Corporation's "Audit Guide for Recipients and Auditors, November, 1996 and "Compliance Supplement For Audits of LSC Recipients". 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 West Virginia, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Legal Aid of West Virginia, Inc.'s compliance with those requirements.

In our opinion, Legal Aid of West Virginia, Inc. 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, 2008.

1031 Quarrier Street, Suite 511 • Charleston, WV 25301-2397 • (304) 345-2320 • (304) 345-2325 fax
www.herman-cormanycpas.com



Internal Control Over Compliance

The management of Legal Aid of West Virginia, Inc. 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 Legal Aid of West Virginia, Inc.'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 West Virginia, Inc.'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.

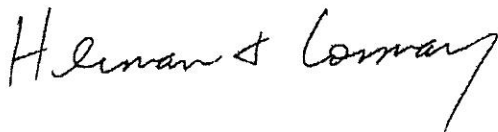
Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Legal Aid of West Virginia, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated June 12, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

Legal Aid of West Virginia, Inc.

Page three

This report is intended solely for the information and use of the audit committee, management, others within the organization 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.

A handwritten signature in cursive script that reads "Herman & Conway".

Charleston, West Virginia

June 12, 2009

Legal Aid of West Virginia, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
Legal Services Corporation			
Basic Field – General	09.449041	449041	\$3,135,026*
Basic Field – Migrant	09.449041	449041	20,948
Technology Initiative Grant	09.449041	449041	<u>24,732</u>
			<u>3,180,706</u>
U.S. Department of Health and Human Resources Passed Through the West Virginia Bureau of Senior Services			
Title IIIB Grants for Supportive Senior Services and Senior Centers	93.044	2822	100,283
Title IIIB Grants for Supportive Senior Services and Senior Centers	93.044	2922	<u>53,071</u>
			<u>153,354</u>
Department of the Treasury, Internal Revenue Service Low-Income Taxpayer Clinics	21.008	2008160	<u>38,963</u>
U.S. Department of Health and Human Resources Passed through the Division of Childrens' Mental Health			
Promoting Safe and Stable Families	93.556	G080049	104,271
Promoting Safe and Stable Families	93.556	G090282	<u>281,956</u>
			<u>386,227</u>
U.S. Department of Health and Human Resources Passed Through the Bureau for Children and Families			
Temporary Assistance for Needy Families	93.558	G080143	641,911
Temporary Assistance for Needy Families	93.558	G090181	<u>670,583</u>
			<u>1,312,494</u>
			\$5,071,744

*Includes in-kind expenses of \$310,041.

Note A – Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Legal Aid of West Virginia, Inc. 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 West Virginia, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2008

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: unqualified

- Control deficiencies disclosed? ___ Yes x No
- Control deficiencies reported as a significant deficiency? ___ Yes x No
- Control deficiencies reported as material weaknesses? ___ Yes x No

Noncompliance material to financial statements notes? ___ Yes x No

Federal Awards

Internal control over major programs:

- Control deficiencies identified? ___ Yes x No
- Control deficiencies reported as a significant deficiency? ___ Yes x No
- Control deficiencies reported as material weaknesses? ___ Yes x No

Type of auditors’ report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ Yes x No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
09.449041	Legal Services Corporation Basic Field Grant-General
93.558	Temporary Assistance for Needy Families

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

Auditee qualified as low-risk auditee? ___ Yes x No

Legal Aid of West Virginia, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2008

Section II – Findings – Financial Statements Audit

None.

Section III – Findings and Questioned Costs – Major Federal Program Audit

None.