

**Northern Kentucky Legal Aid Society, Inc.**  
**(DBA Legal Aid of the Bluegrass)**  
**LSC Recipient Number 618004**

**Financial Statements with Supplementary Information**  
**December 31, 2020 and 2019, and**  
**Independent Auditors' Report**

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.**  
**(DBA LEGAL AID OF THE BLUEGRASS)**  
**December 31, 2020 and 2019**

**Contents**

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## Independent Auditors' Report

To the Board of Directors  
Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass)  
Covington, Kentucky

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass) as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Independent Auditors' Report  
(Continued)**

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Additionally, the supplemental schedules on pages 24 - 31 are presented for purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021, on our consideration of Northern Kentucky Legal Aid Society, Inc.'s (DBA Legal Aid of the Bluegrass) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northern Kentucky Legal Aid Society, Inc.'s (DBA Legal Aid of the Bluegrass) internal control over financial reporting and compliance.

*Barnes, Dennig & Co., Ltd.*

April 30, 2021  
Crestview Hills, Kentucky

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Statements of Financial Position  
December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,088,171	\$ 1,370,443
Grants receivable	914,183	583,332
Contributions receivable, net	176,695	479,017
Prepaid expenses	41,856	58,359
Client escrow funds	3,095	5,729
Property and equipment, net	1,314,057	1,348,022
Total assets	\$ 4,538,057	\$ 3,844,902
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 34,697	\$ 70,162
Accrued compensated absences	84,940	69,543
Accrued payroll and payroll taxes	246,791	220,524
Client trust deposits	3,095	5,729
Deferred revenue	82,879	112,208
Refundable advance	830,891	160,650
Notes payable	317,457	392,981
Total liabilities	1,600,750	1,031,797
<b>Net Assets</b>		
<b>Without donor restrictions</b>		
Net investment in property and equipment	996,600	955,042
Operating	1,165,935	1,048,922
Total net assets without donor restrictions	2,162,535	2,003,964
<b>With donor restrictions</b>		
	774,772	809,141
Total net assets	2,937,307	2,813,105
Total liabilities and net assets	\$ 4,538,057	\$ 3,844,902

See accompanying notes to financial statements

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Statement of Activities  
Year Ended December 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue</b>			
Grants and contracts	\$ 2,386,581	\$ 2,127,161	\$ 4,513,742
Payroll Protection Program grant	682,057	-	682,057
Interest and other income	79,667	-	79,667
Other contributions	97,093	185,727	282,820
Rental income	27,365	-	27,365
Donated legal services	176,400	-	176,400
Net assets released from restrictions	<u>2,347,257</u>	<u>(2,347,257)</u>	<u>-</u>
Total support and revenue	<u>5,796,420</u>	<u>(34,369)</u>	<u>5,762,051</u>
<b>Expenses</b>			
Salaries and benefits:			
Lawyers	1,465,211	-	1,465,211
Non-lawyers	1,155,052	-	1,155,052
Lawyer's salaries - donated	176,400	-	176,400
Employee benefits	<u>1,224,508</u>	<u>-</u>	<u>1,224,508</u>
Total salaries and benefits	<u>4,021,171</u>	<u>-</u>	<u>4,021,171</u>
Grant to KEJCF	53,216	-	53,216
Contract services	673,649	-	673,649
Travel	43,549	-	43,549
Space and occupancy	124,876	-	124,876
Publications, dues and fees	27,424	-	27,424
Library updates	56,192	-	56,192
Telephone	89,175	-	89,175
Depreciation	114,259	-	114,259
Office expense	96,427	-	96,427
Litigation costs	27,615	-	27,615
Equipment rental, purchase and repair	201,308	-	201,308
Interest expense	15,369	-	15,369
Seminars and training	19,047	-	19,047
Insurance	46,230	-	46,230
Bad debt expense	24,348	-	24,348
Miscellaneous expense	<u>3,994</u>	<u>-</u>	<u>3,994</u>
Total expenses	<u>5,637,849</u>	<u>-</u>	<u>5,637,849</u>
<b>Change in net assets</b>	158,571	(34,369)	124,202
<b>Net assets, beginning of year</b>	<u>2,003,964</u>	<u>809,141</u>	<u>2,813,105</u>
<b>Net assets, end of year</b>	<u><u>\$ 2,162,535</u></u>	<u><u>\$ 774,772</u></u>	<u><u>\$ 2,937,307</u></u>

See accompanying notes to financial statements

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Statement of Activities  
Year Ended December 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue</b>			
Grants and contracts	\$ 2,840,288	\$ 1,451,601	\$ 4,291,889
Interest and other income	97,528	-	97,528
Other contributions	88,224	201,981	290,205
Rental income	24,385	-	24,385
Donated legal services	314,600	-	314,600
Net assets released from restrictions	1,935,491	(1,935,491)	-
Total support and revenue	5,300,516	(281,909)	5,018,607
<b>Expenses</b>			
Salaries and benefits:			
Lawyers	1,413,966	-	1,413,966
Non-lawyers	1,074,933	-	1,074,933
Lawyer's salaries - donated	314,600	-	314,600
Employee benefits	1,135,820	-	1,135,820
Total salaries and benefits	3,939,319	-	3,939,319
Grant to KEJCF	52,968	-	52,968
Contract services	560,726	-	560,726
Travel	95,916	-	95,916
Space and occupancy	114,294	-	114,294
Publications, dues and fees	30,283	-	30,283
Library updates	52,822	-	52,822
Telephone	98,675	-	98,675
Depreciation	110,055	-	110,055
Office expense	115,838	-	115,838
Litigation costs	6,956	-	6,956
Equipment rental, purchase and repair	134,406	-	134,406
Interest expense	18,335	-	18,335
Seminars and training	66,741	-	66,741
Insurance	43,657	-	43,657
Miscellaneous expense	35,749	-	35,749
Total expenses	5,476,740	-	5,476,740
<b>Change in net assets</b>	(176,224)	(281,909)	(458,133)
<b>Net assets, beginning of year</b>	2,180,188	1,091,050	3,271,238
<b>Net assets, end of year</b>	\$ 2,003,964	\$ 809,141	\$ 2,813,105

See accompanying notes to financial statements

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Statement of Functional Expenses  
Year Ended December 31, 2020**

	<b>Legal Services</b>	<b>Supporting</b>	<b>Fundraising</b>	<b>Total</b>
<b>Salaries and benefits</b>				
Lawyers	\$ 1,362,648	\$ 74,243	\$ 28,322	\$ 1,465,213
Non-lawyers	854,738	184,083	116,230	1,155,051
Employee benefits	1,040,831	116,124	67,552	1,224,507
 Total salaries and related expenses	 3,258,217	 374,450	 212,104	 3,844,771
<b>Other expenses</b>				
Grant to KEJCF	47,362	5,854	-	53,216
Contract services	552,023	121,626	-	673,649
Travel	38,759	3,239	1,551	43,549
Space and occupancy	111,140	9,291	4,445	124,876
Publications, dues and fees	24,407	2,041	976	27,424
Library updates	50,011	4,181	2,000	56,192
Telephone	79,366	6,634	3,175	89,175
Office expense	85,820	7,174	3,433	96,427
Litigation costs	24,577	3,038	-	27,615
Equipment purchase, rental and repair	179,164	14,977	7,167	201,308
Interest expense	13,678	1,144	547	15,369
Seminars and training	16,952	1,416	679	19,047
Insurance	41,145	3,440	1,645	46,230
Bad debt expense	21,670	1,811	867	24,348
Miscellaneous expense	3,555	296	143	3,994
 Total expenses before donated services and depreciation	 4,547,846	 560,612	 238,732	 5,347,190
<b>Donated services</b>	158,760	17,640	-	176,400
<b>Depreciation</b>	101,691	8,500	4,068	114,259
	<u>\$ 4,808,297</u>	<u>\$ 586,752</u>	<u>\$ 242,800</u>	<u>\$ 5,637,849</u>

See accompanying notes to financial statements



**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Statement of Functional Expenses  
Year Ended December 31, 2019**

	<u>Legal Services</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
<b>Salaries and benefits</b>				
Lawyers	\$ 1,314,988	\$ 72,821	\$ 26,157	\$ 1,413,966
Non-lawyers	795,450	169,099	110,384	1,074,933
Employee benefits	965,447	108,062	62,311	1,135,820
Total salaries and related expenses	3,075,885	349,982	198,852	3,624,719
<b>Other expenses</b>				
Grant to KEJCF	47,142	5,826	-	52,968
Contract services	472,334	88,391	-	560,725
Travel	85,365	7,136	3,415	95,916
Space and occupancy	101,722	8,503	4,069	114,294
Publications, dues and fees	26,952	2,252	1,079	30,283
Library updates	47,012	3,930	1,880	52,822
Telephone	87,821	7,341	3,513	98,675
Office expense	103,098	8,619	4,124	115,841
Litigation costs	6,191	765	-	6,956
Equipment purchase, rental and repair	119,621	10,000	4,785	134,406
Interest expense	16,318	1,364	653	18,335
Seminars and training	59,399	4,966	2,376	66,741
Insurance	38,855	3,247	1,555	43,657
Miscellaneous expense	31,815	2,660	1,272	35,747
Total expenses before donated services and depreciation	4,319,530	504,982	227,573	5,052,085
<b>Donated services</b>	283,140	31,460	-	314,600
<b>Depreciation</b>	97,949	8,189	3,917	110,055
	<u>\$ 4,700,619</u>	<u>\$ 544,631</u>	<u>\$ 231,490</u>	<u>\$ 5,476,740</u>

See accompanying notes to financial statements

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Statements of Cash Flows  
Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 124,202	\$ (458,133)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	114,259	110,055
Bad debt expense	24,348	-
Receipts of client escrow funds held in agency transactions	4,954	13,239
Payments of client escrow funds held in agency transactions	(7,589)	(13,703)
Changes in:		
Grants receivable	(355,199)	(208,555)
Contributions receivable, net	302,322	271,885
Prepaid expenses	16,503	(28,401)
Accounts payable	(35,465)	39,046
Accrued compensated absences	15,397	2,753
Accrued payroll and payroll taxes	26,267	106,765
Deferred revenue	(29,329)	69,876
Refundable advance	670,241	160,650
Net cash provided by operating activities	870,911	65,477
<b>Cash flows used by investing activities</b>		
Purchase of property and equipment	(80,293)	(83,360)
<b>Cash flows used by financing activities</b>		
Principal payments on notes payable	(75,524)	(51,158)
<b>Net change in cash, cash equivalents, and restricted cash</b>	715,094	(69,041)
<b>Cash, cash equivalents, and restricted cash, beginning of year</b>	1,376,172	1,445,213
<b>Cash, cash equivalents, and restricted cash, end of year</b>	\$ 2,091,266	\$ 1,376,172
<b>Supplemental cash flows information</b>		
Interest paid	\$ 15,369	\$ 18,335

See accompanying notes to financial statements

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Notes to Financial Statements**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Operations and Principles of Consolidation***

Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass, and hereinafter referred to as such); (LABG), is a non-profit organization incorporated under the laws of the Commonwealth of Kentucky organized for the purpose of providing legal assistance in non-criminal proceedings to persons financially unable to afford legal assistance and who are residents of one of thirty-three counties in Northern, Northeastern and Central Kentucky.

A substantial amount of the funds to operate LABG are obtained from grant awards from Legal Services Corporation (LSC, a non-profit corporation established by Congress to administer a nationwide legal assistance program) and through the United Way of Greater Cincinnati. LABG also receives supplemental funds from the Commonwealth of Kentucky's Access to Justice Fees (Kentucky filing fees).

LABG also receives grants under the Title III of Older Americans Act. This program is designated "Helping the Elderly with Legal and Problem Solving" (HELPS) and presently is administered through various area development districts located in LABG's service areas. The portion of the program applicable to legal services has been assigned to LABG.

***Financial Statement Presentation***

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). LABG is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net asset with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

***Cash and Cash Equivalents / Client Escrow Funds***

At various times throughout the year, LABG may have cash in financial institutions in excess of insured limits. The Federal Deposit Insurance Company (FDIC) insures account balances up to \$250,000 for each business depositor. Using these criteria, LABG had cash in excess of insured limits of \$1,329,063 and \$908,446 as of December 31, 2020 and 2019, respectively. In accordance with LSC guidelines, LSC funds in excess of FDIC limits that are not needed for immediate operating expenses have been invested in U.S. Treasury notes or bills, or other investment instruments, such as money market accounts or repurchase agreements that invest in U.S. government securities. This is accomplished through a daily sweep arrangement through LABG's financial institution.

LABG receives advances from clients for payment ordered by the court in connection with litigation proceedings. These amounts are maintained in separate bank accounts and are not available for use in current operations.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

At December 31, 2020, cash and cash equivalents of \$2,088,171 and client escrow funds of \$3,095 reported within the statement of financial position sum to the total of \$2,091,266, which is the total of the cash, cash equivalents, and restricted cash shown in the statement of cash flows. At December 31, 2019, cash and cash equivalents of \$1,370,443 and client escrow funds of \$5,729 reported within the statement of financial position sum to the total of \$1,376,172, which is the total of the cash, cash equivalents, and restricted cash shown in the statement of cash flows.

***Grants Receivable***

Grants receivable are stated at their contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. LABG begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for uncollectible accounts based on LABG's collection history, the financial stability and recent payment history of the customer and other pertinent factors. Based on these criteria, LABG has recorded an allowance for doubtful accounts of \$6,000 at December 31, 2020 and 2019.

***Property and Equipment***

Property and equipment are recorded at cost. Property and equipment acquired with LSC funds is considered to be owned by LABG while used in the program or in future authorized programs. However, LSC has a reversionary interest in these assets. LSC has the right to determine the use of any proceeds from the sale of assets purchased with its funds. Proceeds received from property and equipment sales that are earmarked as pertaining to LSC are separately identified in the supplemental schedules to these financial statements.

LABG follows the current LSC guidelines (and these guidelines approximate U.S. GAAP) of capitalizing the cost of all expenditures for property and equipment in excess of \$5,000. Depreciation of property and equipment is computed on a straight-line basis over the estimated service lives of the assets.

***Contributions***

LABG records gifts of cash and other assets at fair value as of the date of contribution. Such donations are recorded as revenue without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue without donor restrictions and net assets without donor restrictions.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met. LABG has numerous grants for which the grantor agencies' promises to give are conditioned upon LABG incurring certain qualifying expenses under the grant programs. At December 31, 2020 and 2019, these conditional promises to give totaled approximately \$965,000 and \$1,515,000.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

***Contributions (Continued)***

Many of these amounts are conditioned upon the grantor's availability of funds for the grant purpose in future years mutual agreement to proceed with the grant project, and satisfactory performance under the grant agreements.

***Donated Services***

Donated services valued by LABG at \$176,400 and \$314,600 were received from private attorneys and others assigned to work with staff attorneys during 2020 and 2019, respectively. These services were valued at the normal hourly rates for attorneys in LABG's service area. These services are recognized both as support and expense, and therefore do not affect net assets.

***Government Grants and Revenue Recognition***

Support funded by grants is recognized as LABG performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. A receivable is recognized to the extent grant support earned exceeds cash advances. Deferred revenue and refundable advances are recognized to the extent cash advances exceed grant support earned.

Under Kentucky law, LABG receives Access to Justice Fees. This funding is derived from filing fees in the Circuit and District Courts. Under this funding, LABG is required to maintain appropriate accounting of the use of these funds and refund annually all unused or uncommitted funds to the state. Management determined that the amounts earned during 2020 and 2019 were expended or committed in accordance with the requirements of this law.

Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

***Paycheck Protection Program (PPP) Grant***

On May 6, 2020, LABG entered into a term note pursuant to the Coronavirus Aid, Relief, and Economic Security Act's (CARES Act) Paycheck Protection Program (the Program) for \$682,057. The loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the loan is subject to forgiveness under the Program to the extent that the loan proceeds are used to pay expenses permitted by the Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by LABG. To the extent that all of part of the loan is not forgiven, LABG will be required to make principal and interest payments according to the terms of the agreement.

The LABG has elected to apply the conditional contribution guidance pursuant to ASC 958-605 to determine the derecognition of the liability. In accordance with this guidance, the derecognition threshold for the liability is when the conditions of the Program are "substantially met" and occur on or before the statement of financial position date. As of December 31, 2020, LABG estimated that all significant conditions under the Program had been substantially met and recognized the entire amount of funding as revenue during 2020.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Notes to Financial Statements  
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

***Income Taxes***

LABG is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Kentucky law. However, LABG is subject to federal income tax on any unrelated business taxable income.

LABG's IRS Form 990 is subject to review and examination by federal and state authorities. LABG believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses have been classified based upon the actual direct expenditures and cost allocations. The most significant allocations are salaries and related expenses, which were allocated based upon estimates of time spent by LABG personnel, and occupancy and depreciation, which were allocated based on use of resources.

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

***New Accounting Standards***

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating, which will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for LABG's year ending December 31, 2022.

LABG is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

***Subsequent Events***

LABG has evaluated subsequent events through April 30, 2021, which is the date the financial statements were available to be issued.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Notes to Financial Statements  
(Continued)**

**NOTE 2 AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure comprise of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,088,171	\$ 1,370,443
Grants receivable	914,003	583,332
Promises to give	175,574	191,180
Distribution of assets from settlement	<u>-</u>	<u>305,612</u>
	<u>\$ 3,177,748</u>	<u>\$ 2,450,567</u>

Promises to give consist of the unreceived portion of awards from various United Way agencies.

Distribution of assets from settlement is from a 2016 \$1,528,058 settlement with Bank of America. The settlement is disbursed by the Kentucky IOLTA fund and is paid in 5 annual installments beginning in 2016 with the final payment disbursed in 2020 (see Note 4 for details regarding 2016 settlement).

LABG has a \$250,000 line of credit which it could draw upon in the event of an unanticipated liquidity need (see Note 6 for more details on the line of credit). There are no plans to utilize this source of funds in the next year.

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable at December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Bluegrass ADD	\$ 37,671	\$ 36,430
Boone County	5,355	7,048
Campbell County	4,437	6,060
Commonwealth of Kentucky	50,625	-
Department of Justice	145,438	60,082
FIVCO ADD	29,391	25,629
Gateway ADD	26,055	32,771
Goodwill Industries of Kentucky	49,984	-
HUD	56,295	48,456
Kenton County	8,012	1,460
LAV	250,034	102,319
LSC	14,000	1,427
Northern Kentucky ADD	24,157	35,181
Other organizations and local bar associations	65,529	66,286
VOCA	<u>147,200</u>	<u>160,183</u>
	<u>\$ 914,183</u>	<u>\$ 583,332</u>

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
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**Notes to Financial Statements  
(Continued)**

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable as of December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Due within one year	\$ 182,695	\$ 529,350
Due within one to five years	-	-
	182,695	529,350
Less unamortized discount	-	(44,333)
Less allowance for uncollectible pledges	(6,000)	(6,000)
	<u>\$ 176,695</u>	<u>\$ 479,017</u>

A discount rate of 4% was used for 2020 and 2019.

During 2016, the Kentucky Interest on Lawyers' Trust Accounts (IOLTA) received a settlement from Bank of America for the sole purpose of providing funds to legal aid organizations in the Commonwealth of Kentucky to be used for foreclosure prevention legal assistance and community redevelopment assistance. As part of the settlement, LABG was awarded \$1,528,272, of which \$317,157 and \$305,612 was received for years ended December 31, 2020 and 2019, respectively. The final installment payment was received in November 2020.

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment as of December 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Land, building and improvements	\$ 1,665,964	\$ 1,665,963
Office furniture and equipment	817,180	736,887
	2,483,144	2,402,850
Less accumulated depreciation	(1,169,087)	(1,054,828)
	<u>\$ 1,314,057</u>	<u>\$ 1,348,022</u>

For 2020 and 2019, LABG had \$31,240 and \$12,302 in office furniture and equipment purchased with LSC funds, respectively. The accumulated depreciation was \$12,452 and \$12,302 in 2020 and 2019.

**NOTE 6 LINE OF CREDIT**

LABG has available a \$250,000 line of credit at a bank. The line charges interest at the prime rate of 3.25% and 4.75% at December 31, 2020 and 2019, respectively. For the years ending December 31, 2020 and 2019, there were no borrowings on the line of credit. The line is collateralized by substantially all of LABG's assets and expires in June 2021. The line of credit has an option to renew annually.



**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
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**Notes to Financial Statements  
(Continued)**

**NOTE 7 NOTES PAYABLE**

	2020	2019
<p>The Organization has a note payable to a bank which financed the purchase of a building at 104 E. 7th Street in Covington, KY. The note charges a fixed interest rate of 5% and is collateralized by the real estate. Monthly payments of principal and interest are \$4,358 until June 1, 2020.</p>	\$ -	\$ 25,785
<p>The Organization has a note payable to a bank which financed the purchase of a building at 300 East Main Street in Lexington, KY. The note charges a fixed interest rate of 4.6% and is collateralized by the real estate. Monthly payments of principal and interest are \$3,411 until September 4, 2024, at which point a balloon payment of \$185,663 is due.</p>	293,620	320,146
<p>The Organization has a note payable to finance the purchase of an automobile. No interest is charged on the note. The note is collateralized by the automobile. Monthly payments of principal are \$1,097 until November 13, 2020.</p>	-	11,110
<p>The Organization has a note payable to finance the purchase of an automobile. The note charges a fixed interest rate of 1.9% and is collateralized by the automobile. Monthly payments of principal are \$1,057 until November 8, 2022.</p>	23,837	35,940
	\$ 317,457	\$ 392,981

Future principal payments at December 31, 2020, are:

2021	\$ 40,435
2022	40,742
2023	30,802
2024	205,478
	\$ 317,457

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
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**Notes to Financial Statements  
(Continued)**

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31 held the following time or purpose restrictions:

	2020	2019
Contributions receivable	\$ 176,374	\$ 216,329
IOLTA Bank of America settlement	485,933	490,487
IOLTA CY PRES	102,964	102,325
Legal Services Corp. TIG	9,501	-
	\$ 774,772	\$ 809,141

**NOTE 9 OPERATING LEASES**

LABG leases office fixtures and equipment, and office space under non-cancellable operating leases during the normal course of its operations. Monthly payments on these leases range from \$200 to \$2,222 per month. Total expense related to these leases was \$68,450 and \$49,211 for 2020 and 2019, respectively.

Future annual minimum lease payments at December 31, 2020 are as follows:

2021	\$ 27,023
2022	27,271
2023	27,518
2024	27,766
2025	28,015
	\$ 137,593

LABG leases a portion of its premises to a third party. Minimum future rental income under this non-cancellable lease as of December 31, 2020 is as follows:

2021	\$ 28,377
2022	29,228
2023	30,105
2024	31,008
2025	26,483
	\$ 145,200

**NOTE 10 PRIVATE ATTORNEY INVOLVEMENT**

LABG is obligated to spend an amount equal to or greater than 12.5% of its Legal Services Corporation basic field grant on private attorney involvement (PAI) expenses. Also, 12.5% of the Kentucky filing fees must be used or committed for private attorney involvement activities during the year of receipt. LABG met all of these requirements for 2020 and 2019.

The following amounts were expended for private attorney involvement, which represented approximately 14% of the LSC basic field grant for 2020 and 2019, and 37% and 28% of Kentucky filing fees for 2020 and 2019, respectively.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
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**Notes to Financial Statements  
(Continued)**

**NOTE 10 PRIVATE ATTORNEY INVOLVEMENT (CONTINUED)**

	2020	2019
Salaries	\$ 126,554	\$ 119,927
Fringe benefits	49,773	39,655
Telephone	4,900	5,311
Space - rent	6,931	6,160
Space - other	90	89
Office supplies	5,231	6,251
Library	3,088	2,823
Insurance	2,540	2,353
Annual recognition and training of volunteers	174	1,064
Litigation	1,515	378
Miscellaneous expense	2,811	9,818
Training	1,046	3,598
Travel	2,393	5,169
Contractual services	24,116	21,170
	\$ 231,162	\$ 223,766

**NOTE 11 KENTUCKY EQUAL JUSTICE CENTER FUND**

LABG committed \$53,216 and \$52,968 for 2020 and 2019, respectively, to the Kentucky Equal Justice Center Fund (KEJCF), for expenses for services that KEJCF provided. This funding comes from the Kentucky filing fee revenue.

**NOTE 12 RETIREMENT BENEFITS**

***Multiple-Employer Pension Plan***

LABG has elected to participate in the County Employee Retirement System (CERS), employer identification number 61-1431278, pursuant to KRS 78.510 administered by the Board of Trustees of the Kentucky Retirement System. This is a multiple-employer public retirement system which covers all eligible, full-time employees and provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living adjustments (COLA) are provided at the discretion of the state legislature. Benefit contributions and provisions are established by statute.

The plan is not required to file a Form 5500, therefore certain plan information is not required to be made publicly available. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplemental information from CERS. This report may be obtained by writing to the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124.

Non-hazardous plan members hired prior to September 1, 2008 are required to contribute five percent of annual creditable compensation, whereas those hired after this date are required to contribute six percent of annual creditable compensation with one percent of that contribution going to the KRS Insurance Fund.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
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**Notes to Financial Statements  
(Continued)**

**NOTE 12 RETIREMENT BENEFITS (CONTINUED)**

There is an underfunded benefit obligation associated with the plan. Plan sponsors are required to contribute annually at an actuarially determined rate to satisfy the unfunded obligation. The rate for the plan years ended June 30, 2020 and 2019, the year-end of the plan, was 19.30% and 16.22%, respectively, of participating members' compensations. The contribution requirement of LABG to the CERS for the years ended December 31, 2020 and 2019 was \$468,358 and \$402,063, respectively. There have been no significant changes that affect comparability of 2020 and 2019 contributions.

The following information is based on the financial statements of the Plan as of June 30 (shown in thousands):

	2020	2019
Actuarial value of assets	\$ 7,220,607	\$ 7,049,527
Actuarial accrued liability	14,610,867	14,356,114
Unfunded actuarial accrued liability	7,390,260	7,306,587
Total contributions received by the plan	475,416	393,453

***Multiple-Employer Postretirement Benefits Other than Pension Plans***

LABG has elected to participate in the Kentucky Retirement Systems Insurance Fund (KRS Insurance Fund), which is administered by the Board of Trustees of the Kentucky Retirement System. This is a multiple-employer public post-retirement system established to provide hospital and medical insurance for members receiving benefits from CERS and other state-backed retirement systems. The KRS Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The dollar amount is subject to adjustment annually based on the retiree COLA and the Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth of Kentucky so demands.

Some spouse and dependents also qualify for the same proportion of coverage. The amount of contributions paid by the KRS Insurance Fund is based on a member's years of service. Effective January 1, 2013, the self-funding of healthcare benefits for most KRS Medicare eligible retirees ceased and these services were contracted through a fully insured Medicare Advantage Plan with Humana Insurance Company.

Plan sponsors are required to contribute annually at an actuarially determined rate. The rate as of June 30, 2020 and 2019, the year end of the plan, was 4.76% and 5.26%, respectively, of participating members' compensations. The contribution requirement of LABG to the KRS Insurance Fund for the years ended December 31, 2020 and 2019 was \$115,512 and \$113,142, respectively. There have been no significant changes that affect comparability of 2020 and 2019 contributions.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
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**Notes to Financial Statements  
(Continued)**

**NOTE 13 SIGNIFICANT CONCENTRATIONS**

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. During 2020 and 2019, 25% and 32% of all LABG's support and revenue was received from LSC, respectively.

**NOTE 14 COVID-19 PANDEMIC**

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-screening quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on LABG's operations and financial results will depend on future developments, including the duration and spread of the outbreak within the market in which LABG operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

**SUPPLEMENTARY INFORMATION**

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Legal Services Corporation</b>	09.618004	KY-10 618004	\$ 1,044,518
<b>Legal Services Corporation COVID-19 Response Grant</b>	09.618004	KY-10 618004	319,880
<b>Legal Services Corporation TIG Program</b>	09.618004	KY-10 618004	45,572
<b>Legal Services Corporation Telework Capacity Building Grant</b>	09.618004	KY-10 618004	24,994
Total for CFDA 09.618004			1,434,964
<b>U.S. Department of Health and Human Services</b>			
<i>Passed through Bluegrass Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	AS-2019-2020 & AS-2020-2021	19,036
<i>Passed through Buffalo Trace Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	019-020-001 & 020-021-003	4,182
<i>Passed through FIVCO Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	LAB 0B44E6B8-2E75-44D9-B994-E1593C227C26 Title III-2 & PON 2 725 2000002717 FY 21-Title III Omb./Legal Assist.	11,886
Title III-B - Ombudsman of Older Americans	93.044	LAB 0B44E6B8-2E75-44D9-B994-E1593C227C26 Title III-2 & PON 2 725 2000002717 FY 21-Title III Omb./Legal Assist.	15,606
<i>Passed through Gateway Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	21-03-05-LABG	5,207
Title III-B - Ombudsman of Older Americans	93.044	20-03-05-LABG & 21-03-05-LABG	14,800
<i>Passed through Northern Kentucky Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	HS-A-20-LA	22,377
Total for CFDA 93.044			93,094
<i>Passed through Bluegrass Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	AS-2019-2020 & AS-2020-2021	88,234
<i>Passed through FIVCO Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	LAB AB9CD306-FBB6-4E26-BF5E-4257C3544CF6-2 & PON 2 725 2000003467 SHIP FY 21	29,439
<i>Passed through Gateway Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	20-06-LABG & 21-06-LABG	22,722
<i>Passed through Northern Kentucky Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	HS-A-20-LA	34,011
Total for CFDA 93.324			174,406
<i>Passed through Bluegrass Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	AS-2019-2020 & AS-2020-2021	55,770

(Continued)

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2020**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Passed through FIVCO Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	LAB PON 2 725 2000000094-1 & LAB PON 2 725 2100000242-1	12,157
<i>Passed through Gateway Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	20-06-LABG & 21-06-LABG	22,794
<i>Passed through the National Council on Aging:</i>			
Medicare Improvements for Patients and Providers Act Benefits Enrollment Center	93.071	90MINC0001	70,852
<i>Passed through Northern Kentucky Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	HS-A-20-LA	40,068
Total for CFDA 93.071			<u>201,641</u>
<i>Passed through FIVCO Area Development District:</i>			
Title VII of Older Americans Act - Elder Abuse	93.041	LAB 63B8B31D-AD424BB7-A4DC-3E414ACEE7F2-Title VII & LAB PON2 725 2000002714-Title VII	2,390
<i>Passed through Gateway Area Development District:</i>			
Title VII of Older Americans Act - Elder Abuse	93.041	20-03-05-LABG & 21-03-05-LABG	1,511
Total for CFDA 93.041			<u>3,901</u>
<i>Passed through FIVCO Area Development District:</i>			
Title VII of Older Americans Act - Ombudsman	93.042	LAB 63B8B31D-AD424BB7-A4DC-3E414ACEE7F2-Title VII & LAB PON2 725 2000002714-Title VII	8,119
<i>Passed through Gateway Area Development District:</i>			
Title VII of Older Americans Act - Ombudsman	93.042	20-03-05-LABG & 21-03-05-LABG	8,897
Total for CFDA 93.042			<u>17,016</u>
Total U.S. Department of Health and Human Services			<u>490,058</u>
<b>U.S. Department of Housing and Urban Development</b>			
<i>Passed through West Tennessee Legal Services:</i>			
HUD	14.169	HC180011022 & HC190011022	114,112
Total U.S. Department of Housing and Urban Development			<u>114,112</u>
<b>U.S. Department of Justice</b>			
<i>Direct Award:</i>			
Crime Victim Assistance - Removing Impediments to Stable Environments through Legal Intervention	16.582	2018-V3-GX-0068	286,961
Equal Justice Works - Elder Justice Program	16.582	2020-OVC-EJP-014	25,062
Total for CFDA 16.582			<u>312,023</u>
<i>Passed Through Kentucky Justice &amp; Public Safety Cabinet:</i>			
Coronavirus Emergency Supplemental Funding - Project Legal Zoom Room	16.034	CESF-2020-Legal Aid-00070	40,451
Department of Justice LAV Grant	16.524	2015-WL-AX-0028	259,704
Victim of Crimes Act 1984	16.575	VOCA-2019-Legal Aid-00015 & VOCA-2020-Legal Aid-00101	754,560
Total U.S. Department of Justice			<u>1,366,738</u>
Total Expenditures of Federal Awards			<u>\$ 3,405,872</u>



**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
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**Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The supplementary schedule of expenditures of federal awards includes the federal grant activity of LABG for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 SUBRECIPIENTS**

LABG provided no federal awards to subrecipients.

**NOTE 4 INDIRECT COST RATE**

LABG has elected to use the 10% de minimis cost rate allowed under Uniform Guidance for the grants that allow for the de minimis cost rate to be utilized.

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Statement of Activities  
Unrestricted Net Assets - Summary  
December 31, 2020**

	<u>Without donor restrictions</u>		<u>Total</u>
	<u>Operations</u>	<u>Property</u>	
<b>Unrestricted support and revenue</b>	<u>\$ 5,796,420</u>	<u>\$ -</u>	<u>\$ 5,796,420</u>
<b>Expenses</b>			
Salaries and benefits:			
Lawyers	1,465,211	-	1,465,211
Non-Lawyers	1,155,052	-	1,155,052
Lawyers' salaries - donated	176,400	-	176,400
Employee benefits	<u>1,224,508</u>	<u>-</u>	<u>1,224,508</u>
Total salaries and benefits	<u>4,021,171</u>	<u>-</u>	<u>4,021,171</u>
Grant to KEJCF	53,216	-	53,216
Contract services	673,649	-	673,649
Travel	43,549	-	43,549
Space and occupancy	124,876	-	124,876
Publications, dues and fees	27,424	-	27,424
Library updates	56,192	-	56,192
Telephone	89,175	-	89,175
Depreciation	-	114,259	114,259
Office expense	96,427	-	96,427
Litigation costs	27,615	-	27,615
Equipment rental, purchase and repair	201,308	-	201,308
Interest expense	15,369	-	15,369
Seminars and training	19,047	-	19,047
Insurance	46,230	-	46,230
Miscellaneous expense	<u>3,994</u>	<u>-</u>	<u>3,994</u>
Total expenses	<u>5,523,590</u>	<u>114,259</u>	<u>5,637,849</u>
<b>Change in net assets</b>	272,830	(114,259)	158,571
<b>Acquisition of equipment and reclassifications</b>	(155,817)	155,817	-
<b>Net assets, beginning of year</b>	<u>1,048,922</u>	<u>955,042</u>	<u>2,003,964</u>
<b>Net assets, end of year</b>	<u>\$ 1,165,935</u>	<u>\$ 996,600</u>	<u>\$ 2,162,535</u>

See independent auditors' report

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Detail Statement of Activities  
December 31, 2020**

	Anthem Expungement Grant	BEC SHIP (NCOA)	Bluegrass Community Foundation	MIPPA Bluegrass	SHIP HCFA Bluegrass	Title III Bluegrass	Boots on the Ground	Title III Buffalo Trace	Butler Foundation	Capital Campaign	Capital Campaign Lexington	Columbia Fellowship	Covington Expenses
<b>Support and revenue</b>													
Grants and contracts	\$ 2,000	\$ 92,500	\$ 5,000	\$ 55,770	\$ 88,234	\$ 19,036	\$ 2,000	\$ 4,182	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned and other income	-	-	-	-	-	-	-	-	-	-	-	20,000	-
Miscellaneous contributions	-	-	-	-	-	-	-	-	1,300	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	2,000	92,500	5,000	55,770	88,234	19,036	2,000	4,182	1,300	-	-	20,000	-
<b>Net assets released from restrictions for the purpose of satisfying the following expenses</b>													
Salaries and benefits													
Lawyers	-	-	-	3,083	5,072	12,566	-	2,769	-	-	-	14,455	-
Non-lawyers	-	31,334	-	25,562	36,362	1,071	-	232	-	-	-	-	-
Employee benefits	-	14,940	-	13,829	20,145	5,399	-	1,181	-	-	-	7,693	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	-	46,274	-	42,474	61,579	19,036	-	4,182	-	-	-	22,148	-
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	-	11,608	-	12,362	22,690	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Space and occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Publications, dues and fees	100	-	-	-	275	-	-	-	-	-	-	-	-
Library updates	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	642	-	-	117	-	-	-	-	-	-	-	-
Office expense	-	7,217	-	934	3,573	-	-	-	-	-	-	-	-
Litigation costs	711	-	-	-	-	-	-	-	2,070	-	-	-	-
Equipment purchase, rental, and repair	-	4,111	-	-	-	-	-	-	-	-	-	-	-
Recognition & Community Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	1,000	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets released from restrictions for the purpose of satisfying expenses</b>	811	70,852	-	55,770	88,234	19,036	-	4,182	2,070	-	-	22,148	-
<b>Change in net assets before equipment acquisitions and reclassifications</b>	1,189	21,648	5,000	-	-	-	2,000	-	(770)	-	-	(2,148)	-
<b>Equipment acquisitions and reclassifications</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets beginning of year</b>	1,540	5,000	-	-	-	-	2,072	-	7,288	1,892	3,656	2,148	11,798
<b>Net assets end of year</b>	\$ 2,729	\$ 26,648	\$ 5,000	\$ -	\$ -	\$ -	\$ 4,072	\$ -	\$ 6,518	\$ 1,892	\$ 3,656	\$ -	\$ 11,798

(Continued)

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Detail Statement of Activities (Continued)  
December 31, 2020**

	CY Pres	DOJ Opioid Grant	Donations	Elder Law Equal Justice Works	Fayette County Bar Association	Elder Abuse FIVCO	MIPPA FIVCO	State Ombudsman FIVCO	SHIP HCFA FIVCO	Title III FIVCO	Title III Ombudsman FIVCO	Title VII Ombudsman FIVCO	Franklin County Fiscal Court	Elder Abuse Gateway
<b>Support and revenue</b>														
Grants and contracts	\$ -	\$ 286,961	\$ -	\$ 25,062	\$ 5,000	\$ 2,390	\$ 12,157	\$ 28,650	\$ 29,439	\$ 11,886	\$ 15,606	\$ 8,119	\$ -	\$ 1,511
Interest earned and other income	-	-	450	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous contributions	-	-	39,276	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	-	286,961	39,726	25,062	5,000	2,390	12,157	28,650	29,439	11,886	15,606	8,119	-	1,511
<b>Net assets released from restrictions for the purpose of satisfying the following expenses</b>														
Salaries and benefits														
Lawyers	-	102,727	-	23,002	-	-	777	-	2,247	7,231	-	-	454	-
Non-lawyers	-	39,901	-	-	-	1,419	6,402	17,028	14,849	642	9,266	4,746	-	964
Employee benefits	-	73,373	-	2,060	-	971	3,248	11,622	7,942	4,013	6,340	3,373	196	547
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	-	216,001	-	25,062	-	2,390	10,427	28,650	25,038	11,886	15,606	8,119	650	1,511
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	-	28,369	-	-	-	-	1,730	-	4,194	-	-	-	-	-
Travel	-	1,267	115	-	-	-	-	-	42	-	-	-	-	-
Space and occupancy	-	9,027	-	-	-	-	-	-	-	-	-	-	-	-
Publications, dues and fees	-	374	766	-	-	-	-	-	-	-	-	-	-	-
Library updates	-	6,838	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	11,142	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	-	6,284	29	-	-	-	-	-	165	-	-	-	-	-
Litigation costs	-	-	3,121	-	-	-	-	-	-	-	-	-	-	-
Equipment purchase, rental, and repair	-	6,561	-	-	-	-	-	-	-	-	-	-	-	-
Recognition & Community Education	-	-	134	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	1,098	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	24,348	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	258	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets released from restrictions for the purpose of satisfying expenses</b>	-	286,961	28,771	25,062	-	2,390	12,157	28,650	29,439	11,886	15,606	8,119	650	1,511
<b>Change in net assets before equipment acquisitions and reclassifications</b>	-	-	10,955	-	5,000	-	-	-	-	-	-	-	(650)	-
<b>Equipment acquisitions and reclassifications</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets beginning of year</b>	46,552	-	207,810	-	5,240	-	-	-	-	-	-	-	650	-
<b>Net assets end of year</b>	\$ 46,552	\$ -	\$ 218,765	\$ -	\$ 10,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Detail Statement of Activities (Continued)  
December 31, 2020**

	LTC State Gateway	MIPPA Gateway	SHIP HCFA Gateway	Title III Gateway	Title III Ombudsman Gateway	Title VII Ombudsman Gateway	Anonymous Foundation	Goodwill	Horizon Community Funds	HUD	IOLTA Bank of America	IOLTA CY Pres	IOLTA Fellow	IOLTA Other
<b>Support and revenue</b>														
Grants and contracts	\$ 27,889	\$ 22,794	\$ 22,722	\$ 5,207	\$ 14,800	\$ 8,897	\$ -	\$ 55,384	\$ 36,813	\$ 114,112	\$ -	\$ -	\$ 79,456	\$ 70,454
Interest earned and other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous contributions	-	-	-	-	-	-	-	-	-	-	55,878	639	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	27,889	22,794	22,722	5,207	14,800	8,897	-	55,384	36,813	114,112	55,878	639	79,456	70,454
<b>Net assets released from restrictions for the purpose of satisfying the following expenses</b>														
Salaries and benefits:														
Lawyers	-	3,672	3,663	3,367	-	-	-	17,178	-	54,815	19,096	-	14,750	23,521
Non-lawyers	17,789	10,870	10,355	288	9,440	1,773	-	18,223	-	13,357	15,922	-	12,910	14,169
Employee benefits	10,100	6,368	6,097	1,552	5,360	1,006	-	10,713	-	35,566	15,637	-	11,604	14,744
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	27,889	20,910	20,115	5,207	14,800	2,779	-	46,114	-	103,738	50,655	-	39,264	52,434
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	-	-	-	-	-	2,380	11,034	-	-	-	-	-
Contract services	-	1,884	1,883	-	-	-	-	-	1,425	4,940	603	-	16,000	7,669
Travel	-	-	-	-	-	-	-	-	-	211	-	-	5,687	781
Space and occupancy	-	-	-	-	-	-	-	-	-	2,354	6,174	-	1,000	2,220
Publications, dues and fees	-	-	-	-	-	-	-	-	-	-	-	-	1,021	754
Library updates	-	-	-	-	-	-	-	-	-	1,117	-	-	2,000	874
Telephone	-	-	-	-	-	-	-	-	-	1,045	-	-	2,000	1,579
Office expense	-	-	724	-	-	991	-	-	121	534	3,000	-	3,261	1,620
Litigation costs	-	-	-	-	-	-	-	6,890	-	-	-	-	-	470
Equipment purchase, rental, and repair	-	-	-	-	-	-	-	-	-	173	-	-	7,739	851
Recognition & Community Education	-	-	-	-	-	-	-	-	-	-	-	-	-	54
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	-	-	-	-	-	-	-	-	-	-	332
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	2,035	816
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets released from restrictions for the purpose of satisfying expenses</b>	27,889	22,794	22,722	5,207	14,800	3,770	-	55,384	12,580	114,112	60,432	-	80,007	70,454
<b>Change in net assets before equipment acquisitions and reclassifications</b>	-	-	-	-	-	5,127	-	-	24,233	-	(4,554)	639	(551)	-
<b>Equipment acquisitions and reclassifications</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets beginning of year</b>	-	-	-	-	-	-	25,190	-	2,777	-	490,487	55,773	76,256	-
<b>Net assets end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,127	\$ 25,190	\$ -	\$ 27,010	\$ -	\$ 485,933	\$ 56,412	\$ 75,705	\$ -

(Continued)

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Detail Statement of Activities (Continued)  
December 31, 2020**

	Justice Cabinet CESF	Kentucky Bar Foundation	Kentucky Filing Fee - PAI	Kentucky Filing Fee - Other	Kentucky Housing Corp	Kentucky General Fund	LAV Grant	Legal Aid BG Louisville Custody	Legal Services Corporation Telework	Legal Services Corporation COVID-19	Legal Services Corporation PAI	Legal Services Corporation TIG (19003)	Legal Services Corporation
<b>Support and revenue</b>													
Grants and contracts	\$ 29,231	\$ 5,000	\$ 118,992	\$ 502,092	\$ 6,060	\$ 104,435	\$ 250,034	\$ 12,000	\$ 24,994	\$ 319,880	\$ 105,324	\$ 45,572	\$ 938,421
Interest earned and other income	-	-	-	1,863	-	-	-	-	-	-	-	-	773
Miscellaneous contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	29,231	5,000	118,992	503,955	6,060	104,435	250,034	12,000	24,994	319,880	105,324	45,572	939,194
<b>Net assets released from restrictions for the purpose of satisfying the following expenses</b>													
Salaries and benefits													
Lawyers	-	-	26,282	45,371	3,049	20,324	103,027	4,750	-	74,745	24,407	-	195,375
Non-lawyers	-	-	17,051	53,604	1,000	22,487	-	344	-	64,691	18,559	10,745	245,758
Employee benefits	-	-	17,027	83,939	2,011	18,447	49,126	2,764	-	65,283	17,087	6,221	206,299
Total salaries and benefits	-	-	60,360	182,914	6,060	61,258	152,153	7,858	-	204,719	60,053	16,966	647,432
Grant to KEJCF	-	-	-	53,216	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	59,128	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	42,584	-	-	-	-	-	-	384	9,502	-	1,000
Contract services	-	-	4,874	49,062	-	1,352	21,720	-	2,500	28,871	26,574	24,606	97,754
Travel	285	-	884	18,822	-	753	784	-	-	-	728	-	6,500
Space and occupancy	3,960	-	2,489	998	-	590	11,417	-	-	-	2,221	-	58,928
Publications, dues and fees	-	-	412	9,846	-	86	381	-	-	-	-	1,500	-
Library updates	-	-	1,106	9,358	-	555	4,742	-	-	-	1,108	-	26,988
Telephone	-	-	1,734	3,668	-	-	1,172	-	-	4,637	1,588	-	30,515
Office expense	3,088	-	1,825	5,067	-	-	4,633	-	-	8,842	1,787	-	37,653
Litigation costs	-	-	498	11,978	-	450	-	-	-	-	547	-	834
Equipment purchase, rental, and repair	33,118	-	861	16,379	-	-	-	-	12,556	63,427	29	-	9,029
Recognition & Community Education	-	-	50	576	-	-	-	-	-	-	63	-	570
Interest	-	-	-	9,391	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	406	7,087	-	339	-	-	-	-	309	2,500	(309)
Insurance	-	-	909	1,000	-	-	-	-	-	-	815	-	22,300
LAV Contractual Services	-	-	-	-	-	-	62,702	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets released from restrictions for the purpose of satisfying expenses</b>	40,451	-	118,992	438,490	6,060	65,383	259,704	7,858	15,056	310,880	105,324	45,572	939,194
<b>Change in net assets before equipment acquisitions and reclassifications</b>	(11,220)	5,000	-	65,465	-	39,052	(9,670)	4,142	9,938	9,000	-	-	-
<b>Equipment acquisitions and reclassifications</b>	-	-	-	(65,634)	-	(45,460)	-	-	(9,938)	(9,000)	-	-	-
<b>Net assets beginning of year</b>	-	5,960	-	93,385	-	137,303	7,770	6,000	-	-	-	-	-
<b>Net assets end of year</b>	<u>\$ (11,220)</u>	<u>\$ 10,960</u>	<u>\$ -</u>	<u>\$ 93,216</u>	<u>\$ -</u>	<u>\$ 130,895</u>	<u>\$ (1,900)</u>	<u>\$ 10,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Detail Statement of Activities (Continued)  
December 31, 2020**

	Boone County Homeless Outreach	Kenton County Homeless Outreach	Boone County NKADD	Campbell County NKADD	HCFA NKADD	Kenton County NKADD	MIPPA NKADD	Title III NKADD	NKU Norse Violence Prevention	PPP Loan	PNC Charitable Trust	PNC Foundation	Anonymous Foundation
<b>Support and revenue</b>													
Grants and contracts	\$ 811	\$ 2,033	\$ 13,461	\$ 9,297	\$ 34,011	\$ 10,058	\$ 40,068	\$ 22,377	\$ 1,000	\$ 682,057	\$ -	\$ 10,000	\$ -
Interest earned and other income	-	-	-	-	-	-	-	-	-	219	-	-	-
Miscellaneous contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	811	2,033	13,461	9,297	34,011	10,058	40,068	22,377	1,000	682,276	-	10,000	-
<b>Net assets released from restrictions for the purpose of satisfying the following expenses</b>													
Salaries and Benefits													
Lawyers	542	1,598	8,403	5,936	1,147	6,308	1,431	14,018	-	208,941	-	500	-
Non-lawyers	-	-	693	462	18,596	561	22,110	1,257	-	239,006	-	5,419	-
Employee benefits	269	435	4,365	2,899	8,949	3,189	10,724	7,102	-	176,944	-	2,664	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	811	2,033	13,461	9,297	28,692	10,058	34,265	22,377	-	624,891	-	8,583	-
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	-	-	-	-	5,297	-	5,803	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Space and occupancy	-	-	-	-	-	-	-	-	-	23,238	-	-	-
Publications, dues and fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Library updates	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	27,950	-	-	-
Office expense	-	-	-	-	22	-	-	-	-	-	-	-	-
Litigation costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment purchase, rental, and repair	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition & Community Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	5,978	-	-	-
Seminars and training	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets released from restrictions for the purpose of satisfying expenses</b>	811	2,033	13,461	9,297	34,011	10,058	40,068	22,377	-	682,057	-	8,583	-
<b>Change in net assets before equipment acquisitions and reclassifications</b>	-	-	-	-	-	-	-	-	1,000	219	-	1,417	-
<b>Equipment acquisitions and reclassifications</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets beginning of year</b>	-	-	-	-	-	-	-	-	-	-	10,000	7,200	44,365
<b>Net assets end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 219	\$ 10,000	\$ 8,617	\$ 44,365

(Continued)

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Detail Statement of Activities (Continued)  
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	Rental Earned Income	Service Generated Income	State of Kentucky Health Insurance	United Way of Grtr Cinci	United Way Heart of Kentucky	United Way of the Bluegrass	United Way of Franklin County	VOCA (PAI)	VOCA	Unclassified	Total
<b>Support and revenue</b>											
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,646	\$ 711,914	\$ -	\$ 5,195,799
Interest earned and other income	-	500	-	-	-	-	-	-	-	55,862	79,667
Miscellaneous contributions	-	-	-	149,310	20,000	12,960	3,457	-	-	-	282,820
Rental income	27,365	-	-	-	-	-	-	-	-	-	27,365
Donated legal services	-	-	-	-	-	-	-	-	-	176,400	176,400
<b>Total support and revenue</b>	<b>27,365</b>	<b>500</b>	<b>-</b>	<b>149,310</b>	<b>20,000</b>	<b>12,960</b>	<b>3,457</b>	<b>42,646</b>	<b>711,914</b>	<b>232,262</b>	<b>5,762,051</b>
<b>Net assets released from restrictions for the purpose of satisfying the following expenses</b>											
<b>Salaries and Benefits</b>											
Lawyers	-	-	-	35,404	4,099	3,473	2,371	2,565	356,700	-	1,465,211
Non-lawyers	-	-	-	19,455	3,038	1,916	1,586	-	91,840	-	1,155,052
Employee benefits	-	-	-	23,365	2,947	2,186	1,822	935	210,419	1,471	1,224,508
Donated legal services	-	-	-	-	-	-	-	-	-	176,400	176,400
<b>Total salaries and benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,224</b>	<b>10,084</b>	<b>7,575</b>	<b>5,779</b>	<b>3,500</b>	<b>658,959</b>	<b>177,871</b>	<b>4,021,171</b>
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	53,216
Children's Law Center	-	-	-	-	-	-	-	-	-	-	59,128
Contracted Client Services- Attorney	-	-	-	-	-	-	-	38,137	-	-	105,021
Contract services	-	-	-	15,380	1,885	-	-	1,009	10,536	34,218	446,798
Travel	-	-	-	5,141	-	-	-	-	1,549	-	43,549
Space and occupancy	-	-	-	260	-	-	-	-	-	-	124,876
Publications, dues and fees	-	-	-	11,909	-	-	-	-	-	-	27,424
Library updates	-	-	-	1,506	-	-	-	-	-	-	56,192
Telephone	-	-	-	159	-	-	-	-	1,227	-	89,175
Office expense	2,212	-	-	129	-	-	-	-	281	2,435	96,427
Litigation costs	-	-	-	46	-	-	-	-	-	-	27,615
Equipment purchase, rental, and repair	-	-	-	1,406	-	-	-	-	34,534	10,534	201,308
Recognition & Community Education	-	-	-	-	-	-	-	-	-	1,718	3,165
Interest	-	-	-	-	-	-	-	-	-	-	15,369
Seminars and training	-	-	-	921	-	-	-	-	449	4,915	19,047
Insurance	-	-	-	13,976	-	-	-	-	4,379	-	46,230
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	62,702
Bad debt expense	-	-	-	-	-	-	-	-	-	-	24,348
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	571	829
<b>Net assets released from restrictions for the purpose of satisfying expenses</b>	<b>2,212</b>	<b>-</b>	<b>-</b>	<b>129,057</b>	<b>11,969</b>	<b>7,575</b>	<b>5,779</b>	<b>42,646</b>	<b>711,914</b>	<b>232,262</b>	<b>5,523,590</b>
<b>Change in net assets before equipment acquisitions and reclassifications</b>	<b>25,153</b>	<b>500</b>	<b>-</b>	<b>20,253</b>	<b>8,031</b>	<b>5,385</b>	<b>(2,322)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238,461</b>
<b>Equipment acquisitions and reclassifications</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,785)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155,817)</b>
<b>Net assets beginning of year</b>	<b>225,684</b>	<b>75,400</b>	<b>100,887</b>	<b>167,200</b>	<b>17,500</b>	<b>10,958</b>	<b>2,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,858,063</b>
<b>Net assets end of year</b>	<b>\$ 250,837</b>	<b>\$ 75,900</b>	<b>\$ 100,887</b>	<b>\$ 161,668</b>	<b>\$ 25,531</b>	<b>\$ 16,343</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,940,707</b>

**Note:** Does not include capital activity.

See independent auditors' report



**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Schedule – Summary of Funding  
December 31, 2020**

	Period	Award Amount	Recognized in 2020
BEC SHIP Funding	01/20 - 09/20	\$ 52,500	\$ 52,500
	10/20 - 09/21	60,000	40,000
Bluegrass Area Development District			
Title III	07/19 - 06/20	32,145	5,315
	07/20 - 06/21	26,830	13,721
MIPPA	10/19 - 09/20	55,323	41,490
	09/20 - 08/21	52,356	14,280
SHIP	07/19 - 06/20	90,932	45,466
	07/20 - 06/21	85,536	42,768
Buffalo Trace Area Development District			
Title III	07/19 - 06/20	8,000	468
	07/20 - 06/21	16,471	3,715
Department of Justice - Opioid Grant	10/18 - 09/21	666,176	286,961
Equal Justice Works			
Elder Justice Program	06/20 - 08/22	114,138	25,062
FIVCO			
Title VII Ombudsman	07/19 - 06/20	4,213	2,107
	07/20 - 06/21	12,024	6,012
Title VII Elder Abuse	07/19 - 06/20	2,400	1,200
	07/20 - 06/21	2,379	1,190
State Long Term Care Ombudsman	07/19 - 06/20	28,670	14,334
	07/20 - 06/21	28,631	14,316
MIPPA	10/19 - 09/20	11,917	8,938
	10/20 - 09/21	11,798	3,219
Title III B Ombudsman	07/19 - 06/20	15,606	7,804
	07/20 - 06/21	15,606	7,802
SHIP	07/19 - 06/20	29,977	14,989
	07/20 - 06/21	28,898	14,450
Title III Legal Assistance	07/19 - 06/20	9,737	4,869
	07/20 - 06/21	9,737	7,017
Gateway Area Development District			
Elder Abuse	07/19 - 06/20	1,515	757
	07/20 - 06/21	1,506	754
LTC STATE	07/19 - 06/20	27,836	13,919
	07/20 - 06/21	27,939	13,970
Title IIIB Ombudsman	07/19 - 06/20	14,800	7,400
	07/20 - 06/21	14,800	7,400
Title IIIB Legal Assistance	07/20 - 06/21	18,300	5,207
Title VII Ombudsman	07/19 - 06/20	8,779	7,449
	07/20 - 06/21	2,896	1,448
SHIP	07/19 - 06/20	22,998	11,498
	07/20 - 06/21	22,449	11,224
MIPPA	07/19 - 06/20	22,284	11,180
	07/20 - 06/21	23,667	11,614

(Continued)

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Supplemental Schedule – Summary of Funding (Continued)  
December 31, 2020**

	Period	Award Amount	Recognized in 2020
Goodwill	01/20 - 12/20	\$ 55,384	\$ 55,384
Horizon Community Fund	01/20 - 12/20	36,813	36,813
HUD Western Tennessee Legal Services	10/19 - 03/21	140,445	114,112
IOLTA	09/19 - 08/20	168,313	112,208
	09/20 - 08/21	113,106	37,702
Kentucky File Fee (Access to Justice)	01/20 - 12/20	621,084	621,084
Kentucky Housing Corp.	07/19 - 06/20	5,000	2,960
	07/20 - 06/21	6,000	3,100
Kentucky General Fund	01/20 - 12/20	104,435	104,435
Justice Cabinet - CESF Funding	01/20 - 12/31	119,745	29,231
Legal Aid Society of Louisville			
Visitation and Custody Hotline	07/19 - 06/20	12,000	6,000
	07/20 - 06/21	12,000	6,000
Legal Assistance to Victims	10/15 - 09/21	1,200,000	250,034
LSC			
Legal Services Corp. Basic	01/19 - 12/19	1,610,521	160,648
Legal Services Corp. Basic	01/20 - 12/20	1,704,486	883,097
Legal Services Corp. COVID-19 Response	03/20 - 09/20	319,880	319,880
Legal Services Corp. TIG	10/19 - 07/23	176,966	45,572
Legal Services Corp. Telework Capacity Building	03/20 - 10/20	24,994	24,994
NKADD			
Boone County	07/19 - 06/20	19,000	4,846
	07/20 - 06/21	18,800	9,425
Campbell County	07/19 - 06/20	16,000	2,239
	07/20 - 06/21	17,350	7,058
Kenton County	06/19 - 05/20	22,000	759
	06/20 - 05/21	22,650	11,332
SHIP	07/19 - 06/20	36,846	17,251
	07/20 - 06/21	33,520	16,760
MIPPA	10/19 - 09/20	39,468	29,601
	09/20 - 08/21	38,377	10,467
Title III	07/19 - 06/20	36,067	10,271
	07/20 - 06/21	26,067	12,106
PNC Foundation	09/20 - 05/21	10,000	10,000
SBA CARES Act Paycheck Protection Loan	05/20 - 10/20	682,057	682,057
VOCA	10/19 - 09/20	767,543	607,360
	10/20 - 09/21	729,165	147,200
Other	Various		20,000
			<u>\$ 5,195,799</u>

See independent auditors' report

**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**

Board of Directors

Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass)

We have audited, 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, the financial statements of Legal Aid of the Bluegrass (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, have issued our report thereon dated April 30, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered LABG's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LABG's internal control. Accordingly, we do not express an opinion on the effectiveness of LABG's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether LABG'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 financial statements. 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*.

**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*  
(CONTINUED)**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Barnes, Dennig & Co., Ltd.*

April 30, 2021  
Crestview Hills, Kentucky

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
AND LEGAL SERVICES CORPORATION'S AUDIT GUIDE AND COMPLIANCE SUPPLEMENT**

Board of Directors  
Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass)

**Report on Compliance for Each Major Federal Program**

We have audited Legal Aid of the Bluegrass' (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the Compliance Supplement for Audit of LSC Recipients* that could have a direct and material effect on each of LABG's major federal programs for the year ended December 31, 2020. LABG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of LABG's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Compliance Supplement for Audit of LSC Recipients*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LABG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Program***

In our opinion, Legal Aid of the Bluegrass complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
AND LEGAL SERVICES CORPORATION'S AUDIT GUIDE AND COMPLIANCE SUPPLEMENT  
(CONTINUED)**

**Report on Internal Control over Compliance**

Management of the LABG is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the LABG's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LABG's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



April 30, 2021  
Crestview Hills, Kentucky

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 2020**

**Section I – Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None noted
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None noted

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes  X  No

***Identification of major programs***

CFDA No.	Name of Federal Programs or Clusters
9.618004 16.575	Legal Services Corporation Victim of Crimes Act

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  No \*

\* During 2016, the Office of Inspector General (OIG) issued guidance that LSC funding recipients were automatically deemed a high-risk auditee.

**Section II – Financial Statement Findings**

No matters are reportable

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable

**NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.  
(DBA LEGAL AID OF THE BLUEGRASS)**

**Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2020**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
No matters are reportable		