

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

Financial Statements with Supplementary Information
December 31, 2022 and 2021, and
Independent Auditors' Report

NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.
(DBA LEGAL AID OF THE BLUEGRASS)
December 31, 2022 and 2021

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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 Audit of the Financial Statements

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements 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, 2022 and 2021 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**Independent Auditors' Report
(Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Kentucky Legal Aid Society, Inc. (DBA Legal Aid of the Bluegrass)'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we audited during the audit.

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* 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 schedules of unrestricted net assets summary and detail and the summary of funding shown on pages 25 through 34 are presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards, schedules of unrestricted net assets summary and detail, and the summary of funding is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Independent Auditors' Report
(Continued)**

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023, 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.



April 28, 2023
Crestview Hills, Kentucky

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

**Statements of Financial Position
December 31, 2022 and 2021**

	2022	2021
Assets		
Cash and cash equivalents	\$ 1,580,378	\$ 1,802,990
Grants receivable	1,016,828	841,406
Contributions receivable, net	97,360	104,074
Prepaid expenses	45,724	33,439
Client escrow funds	7,947	38,124
Property and equipment, net	1,143,426	1,243,137
Right of use assets, net - operating leases	178,224	-
Total assets	\$ 4,069,887	\$ 4,063,170
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 95,752	\$ 34,320
Accrued compensated absences	114,050	106,902
Accrued payroll and payroll taxes	71,014	200,077
Client trust deposits	7,947	38,124
Refundable advance - other grants	105,721	99,857
Refundable advance - LSC	187,086	189,831
Notes payable	243,334	279,623
Lease liabilities - operating leases	177,977	-
Total liabilities	1,002,881	948,734
Net Assets		
Without donor restrictions		
Net investment in property and equipment	915,059	963,514
Operating	2,068,302	1,773,777
Total net assets without donor restrictions	2,983,361	2,737,291
With donor restrictions		
	83,645	377,145
Total net assets	3,067,006	3,114,436
Total liabilities and net assets	\$ 4,069,887	\$ 4,063,170

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, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grants and contracts	\$ 5,920,852	\$ -	\$ 5,920,852
Interest and other income	85,386	-	85,386
Other contributions	162,067	90,984	253,051
Rental income	29,238	-	29,238
Donated legal services	439,200	-	439,200
Net assets released from restrictions	384,484	(384,484)	-
Total support and revenue	7,021,227	(293,500)	6,727,727
Expenses			
Salaries and benefits:			
Lawyers	1,554,544	-	1,554,544
Non-lawyers	1,520,570	-	1,520,570
Lawyer's salaries - donated	439,200	-	439,200
Employee benefits	1,506,895	-	1,506,895
Total salaries and benefits	5,021,209	-	5,021,209
Grant to KEJC	40,107	-	40,107
Contract services	786,579	-	786,579
Travel	93,673	-	93,673
Space and occupancy	124,394	-	124,394
Publications, dues and fees	26,221	-	26,221
Library updates	49,126	-	49,126
Telephone	104,463	-	104,463
Depreciation	90,683	-	90,683
Office expense	126,417	-	126,417
Litigation costs	38,058	-	38,058
Equipment rental, purchase and repair	124,300	-	124,300
Interest expense	8,982	-	8,982
Seminars and training	61,262	-	61,262
Insurance	57,287	-	57,287
Miscellaneous expense	22,396	-	22,396
Total expenses	6,775,157	-	6,775,157
Change in net assets	246,070	(293,500)	(47,430)
Net assets, beginning of year	2,737,291	377,145	3,114,436
Net assets, end of year	\$ 2,983,361	\$ 83,645	\$ 3,067,006

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, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grants and contracts	\$ 5,891,503	\$ -	\$ 5,891,503
Interest and other income	52,172	-	52,172
Other contributions	94,593	99,672	194,265
Rental income	28,377	-	28,377
Donated legal services	305,280	-	305,280
Net assets released from restrictions	384,835	(384,835)	-
Total support and revenue	6,756,760	(285,163)	6,471,597
Expenses			
Salaries and benefits:			
Lawyers	1,595,379	-	1,595,379
Non-lawyers	1,416,794	-	1,416,794
Lawyer's salaries - donated	305,280	-	305,280
Employee benefits	1,482,426	-	1,482,426
Total salaries and benefits	4,799,879	-	4,799,879
Grant to KEJC	51,732	-	51,732
Contract services	667,972	-	667,972
Travel	64,000	-	64,000
Space and occupancy	118,072	-	118,072
Publications, dues and fees	25,741	-	25,741
Library updates	47,345	-	47,345
Telephone	95,037	-	95,037
Depreciation	92,261	-	92,261
Office expense	81,761	-	81,761
Litigation costs	21,373	-	21,373
Equipment rental, purchase and repair	133,707	-	133,707
Interest expense	11,535	-	11,535
Seminars and training	24,446	-	24,446
Insurance	50,837	-	50,837
Miscellaneous expense	8,770	-	8,770
Total expenses	6,294,468	-	6,294,468
Change in net assets	462,292	(285,163)	177,129
Net assets, beginning of year	2,274,999	662,308	2,937,307
Net assets, end of year	\$ 2,737,291	\$ 377,145	\$ 3,114,436

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, 2022**

	Legal Services	Supporting	Fundraising	Total
Salaries and benefits				
Lawyers	\$ 1,414,635	\$ 106,754	\$ 33,155	\$ 1,554,544
Non-lawyers	1,186,045	196,198	138,327	1,520,570
Employee benefits	1,296,749	126,115	84,031	1,506,895
 Total salaries and related expenses	 3,897,429	 429,067	 255,513	 4,582,009
Other expenses				
Grant to KEJC	35,695	4,412	-	40,107
Contract services	675,591	110,988	-	786,579
Travel	83,369	6,969	3,335	93,673
Space and occupancy	110,711	9,255	4,428	124,394
Publications, dues and fees	23,337	1,951	933	26,221
Library updates	43,722	3,655	1,749	49,126
Telephone	92,972	7,772	3,719	104,463
Office expense	112,511	9,406	4,500	126,417
Litigation costs	33,872	4,186	-	38,058
Equipment purchase, rental and repair	110,627	9,248	4,425	124,300
Interest expense	7,994	668	320	8,982
Seminars and training	54,523	4,558	2,181	61,262
Insurance	50,985	4,262	2,040	57,287
Miscellaneous expense	20,985	571	840	22,396
 Total expenses before donated services and depreciation	 5,354,323	 606,968	 283,983	 6,245,274
Donated services	439,200	-	-	439,200
Depreciation	80,708	6,747	3,228	90,683
	<u>\$ 5,874,231</u>	<u>\$ 613,715</u>	<u>\$ 287,211</u>	<u>\$ 6,775,157</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, 2021**

	<u>Legal Services</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits				
Lawyers	\$ 1,439,830	\$ 125,847	\$ 29,702	\$ 1,595,379
Non-lawyers	1,062,595	212,261	141,938	1,416,794
Employee benefits	1,260,062	137,892	84,472	1,482,426
 Total salaries and related expenses	 3,762,487	 476,000	 256,112	 4,494,599
Other expenses				
Grant to KEJC	46,041	5,691	-	51,732
Contract services	557,793	110,179	-	667,972
Travel	56,959	4,762	2,279	64,000
Space and occupancy	105,084	8,784	4,204	118,072
Publications, dues and fees	22,909	1,916	916	25,741
Library updates	42,137	3,523	1,685	47,345
Telephone	84,583	7,071	3,383	95,037
Office expense	72,767	6,083	2,911	81,761
Litigation costs	19,022	2,351	-	21,373
Equipment purchase, rental and repair	118,999	9,948	4,760	133,707
Interest expense	10,266	858	411	11,535
Seminars and training	21,757	1,818	871	24,446
Insurance	45,245	3,783	1,809	50,837
Miscellaneous expense	7,805	653	312	8,770
 Total expenses before donated services and depreciation	 4,973,854	 643,420	 279,653	 5,896,927
Donated services	305,280	-	-	305,280
Depreciation	82,112	6,865	3,284	92,261
	<u>\$ 5,361,246</u>	<u>\$ 650,285</u>	<u>\$ 282,937</u>	<u>\$ 6,294,468</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, 2022 and 2021**

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (47,430)	\$ 177,129
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	90,683	92,261
Gain on sale of property and equipment	(10,955)	-
Receipts of client escrow funds held in agency transactions	7,892	51,497
Payments of client escrow funds held in agency transactions	(38,069)	(16,468)
Non-cash lease recovery	(247)	-
Changes in:		
Grants receivable	(175,422)	72,777
Contributions receivable, net	6,714	72,621
Prepaid expenses	(12,285)	8,417
Accounts payable	61,432	(377)
Accrued compensated absences	7,148	21,962
Accrued payroll and payroll taxes	(129,063)	(46,714)
Refundable advances	3,119	(624,082)
	(236,483)	(190,977)
Cash flows used by investing activities		
Purchase of property and equipment	(5,939)	(21,341)
Proceeds from sale of property and equipment	25,922	-
	19,983	(21,341)
Cash flows used by financing activities		
Principal payments on notes payable	(36,289)	(37,834)
	(36,289)	(37,834)
Net change in cash, cash equivalents, and restricted cash	(252,789)	(250,152)
Cash, cash equivalents, and restricted cash, beginning of year	1,841,114	2,091,266
Cash, cash equivalents, and restricted cash, end of year	\$ 1,588,325	\$ 1,841,114
Supplemental cash flows information		
Interest paid	\$ 8,982	\$ 11,535

See Note 9 for supplemental cash flow information related to leases

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 \$989,446 and \$1,065,759 as of December 31, 2022 and 2021, 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)**

Cash and Cash Equivalents / Client Escrow Funds (Continued)

At December 31, 2022, cash and cash equivalents of \$1,580,378 and client escrow funds of \$7,947 reported within the statement of financial position sum to the total of \$1,588,325, which is the total of the cash, cash equivalents, and restricted cash shown in the statement of cash flows. At December 31, 2021, cash and cash equivalents of \$1,802,990 and client escrow funds of \$38,124 reported within the statement of financial position sum to the total of \$1,841,114, which is the total of the cash, cash equivalents, and restricted cash shown in the statement of cash flows.

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, 2022 and 2021, these conditional promises to give totaled approximately \$2,614,000 and \$2,846,000. 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.

**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)**

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. 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 2022 and 2021 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.

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.

**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)**

Leases

Right of use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of LABG's leases do not provide an implicit rate, LABG uses a risk-free rate based on information available at commencement date in determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that LABG will exercise that option, which may require significant judgment. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

LABG has lease agreements with lease and non-lease components, which are generally accounted for separately. For certain leases, such as copier and postage leases, LABG accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These, variable lease payments, which are primarily comprised of copier and postage charges for excess usage, are recognized in operating expenses in the period in which the obligation for those payments was incurred. LABG also elected to apply the short-term lease exemption to all its classes of assets.

Effect of Adopting New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-02, *Leases* which created Accounting Standards Codification (ASC) Topic 842. This ASU requires organization that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

LABG has adopted ASC Topic 842 on January 1, 2022 and recognized and measured leases existing at or entered into after January 1, 2022 through a cumulative effect adjustment with certain practical expedients. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

As a result of the adoption of the new lease accounting guidance, LABG recognized a lease liability of \$236,460, which represents the present value of the remaining operating lease payments, and a right-of-use asset of \$236,707, which represents the operating lease liability of \$236,460 adjusted for accrued rent of \$247.

LABG elected the available practical expedients to account for its existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustment would have met the definition of initial direct costs in the guidance at lease commencement.

**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)**

Effect of Adopting New Accounting Standards (Continued)

During 2022, LABG adopted FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increase transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. These include separate presentation in the statement of activities, disaggregation by type, policy and qualitative information about monetization and utilization, description of valuation techniques and inputs used to arrive at a fair value measure, and donor-imposed restrictions associated with the contributed nonfinancial assets. The most significant impact of the adoption of the standard is expanded disclosures, which was applied retrospectively to all years presented.

Reclassifications

Reclassifications were made to 2021 figures to conform to 2022 presentation. In 2021, \$112,464 of beginning assets with donor restrictions have been reclassified to net assets without donor restrictions due to no donor restrictions in place. These reclassifications had no net effect on the total 2021 net assets.

Subsequent Events

LABG has evaluated subsequent events through April 28, 2023, which is the date the financial statements were available to be issued.

NOTE 2 AVAILABILITY OF FINANCIAL ASSETS

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

	2022	2021
Cash and cash equivalents	\$ 1,580,378	\$ 1,802,990
Grants receivable	1,016,828	785,277
Contributions receivable, net	97,360	110,074
	\$ 2,694,566	\$ 2,698,341

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

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.

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

**Notes to Financial Statements
(Continued)**

NOTE 3 GRANTS RECEIVABLE

Grants receivable at December 31 consisted of the following:

	<u>2022</u>	<u>2021</u>
Bluegrass ADD	\$ 91,183	\$ 53,560
Boone County	4,261	696
Campbell County	10,645	1,882
Equal Justice Works	10,888	12,400
FIVCO ADD	27,141	61,386
Gateway ADD	34,633	28,331
Goodwill Industries of Kentucky	87,328	26,034
HUD	24,878	52,584
Kenton County	5,458	4,698
Kentucky Justice Cabinet	85,533	112,873
LAV	57,950	35,847
LFUGC	118,811	101,016
LSC	65,775	8,105
Northern Kentucky ADD	32,765	48,307
Other organizations and local bar associations	158,725	83,364
VOCA	200,854	210,323
	<u>\$ 1,016,828</u>	<u>\$ 841,406</u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31 consisted of the following:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 103,360	\$ 110,074
Less allowance for uncollectible pledges	<u>(6,000)</u>	<u>(6,000)</u>
	<u>\$ 97,360</u>	<u>\$ 104,074</u>

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

**Notes to Financial Statements
(Continued)**

NOTE 5 PROPERTY AND EQUIPMENT

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

	2022	2021
Land, building and improvements	\$ 1,665,963	\$ 1,665,963
Office furniture and equipment	788,919	820,396
	2,454,882	2,486,359
Less accumulated depreciation	(1,311,456)	(1,243,222)
	\$ 1,143,426	\$ 1,243,137

For 2022 and 2021, LABG had \$31,240 in office furniture and equipment purchased with LSC funds, respectively. The accumulated depreciation was \$19,977 and \$16,215 in 2022 and 2021, respectively.

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 7.50% and 3.25% at December 31, 2022 and 2021, respectively. For the years ending December 31, 2022 and 2021, there were no borrowings on the line of credit. The line is collateralized by substantially all of LABG's assets and expires in March 2023, with an option to renew annually.

NOTE 7 NOTES PAYABLE

	2022	2021
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 2024. In May 2021, the note was refinanced to charge an interest rate of 3.4% with monthly payments of principal and interest of \$2,805 until May 2026, at which point a balloon payment of \$156,556 is due.	\$ 243,334	\$ 267,900
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 when it matured.	-	11,723
	\$ 243,334	\$ 279,623

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

**Notes to Financial Statements
(Continued)**

NOTE 7 NOTES PAYABLE (CONTINUED)

Future principal payments at December 31, 2022, are:

2023		\$ 25,739
2024		26,625
2025		27,542
2026		163,428
		<u>\$ 243,334</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Contributions receivable	\$ 83,645	\$ 90,320
IOLTA Bank of America settlement	-	286,825
	<u>\$ 83,645</u>	<u>\$ 377,145</u>

NOTE 9 LEASES

LABG has several leases for certain office space and office equipment extending beyond 12 months. These leases are for terms of 4 to 15 years and expire between June 2024 and December 2026. LABG has the option to extend one lease for an additional 15 years, which has not been recognized as a part of LABG's right to use assets and liabilities. At the end of the lease term, LABG shall vacate the facilities and return office equipment for the control to be returned to the lessor.

The components of lease expenses were as follows for the year ended December 31, 2022:

Operating lease expense		\$ 61,266
Variable lease expense		24,483

Other information related to leases was as follows:

Operating cash flows		\$ 61,513
Weighted average remaining lease term		3.13 years
Weighted average discount rate		1.36%

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

**Notes to Financial Statements
(Continued)**

NOTE 9 LEASES (CONTINUED)

Future minimum lease payments under non-cancellable lease as of December 31, 2022 were as follows:

2023	\$	61,873
2024		54,452
2025		44,168
2026		<u>21,261</u>
Total future minimum lease payments		181,754
Less imputed interest		<u>(3,777)</u>
Lease liabilities	\$	<u><u>177,977</u></u>

LABG leases a portion of its premises to a third party. Rental income was \$29,238 and \$28,377 in 2022 and 2021, respectively. Minimum future rental income under this non-cancellable lease as of December 31, 2022 is as follows:

2023	\$	30,105
2024		31,008
2025		<u>26,483</u>
	\$	<u><u>87,595</u></u>

Lease disclosures for the year ended December 31, 2021

As the ASC 842: Leases was adopted during 2022, LABG is required to disclose information for 2021 in accordance with prior guidance under ASC 840, 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 \$2,242 per month. Total expense related to these leases was \$67,781 for 2021.

Future annual minimum lease payments at December 31, 2021 are as follows:

2022	\$	65,466
2023		53,834
2024		47,164
2025		40,495
2026		<u>40,863</u>
	\$	<u><u>247,822</u></u>

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

**Notes to Financial Statements
(Continued)**

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 2022 and 2021.

The following amounts were expended for private attorney involvement, which represented approximately 14% and 19% of the LSC basic field grant for 2022 and 2021, respectively, and 40% and 51% of Kentucky filing fees for 2022 and 2021, respectively which exceeds the 12.5% PAI requirement.

	2022	2021
Salaries	\$ 103,882	\$ 118,313
Fringe benefits	47,548	59,761
Telephone	4,116	5,130
Space - rent	4,911	6,362
Space - other	65	89
Office supplies	4,939	4,397
Library	1,933	2,571
Insurance	2,248	2,740
Annual recognition and training of volunteers	793	338
Litigation	1,519	1,150
Miscellaneous expense	1,012	1,384
Training	2,468	1,312
Travel	3,672	3,468
Contractual services	24,501	23,761
Direct client service costs	48,158	89,043
Direct other contracted services	16,133	21,556
	\$ 267,898	\$ 341,375

NOTE 11 KENTUCKY EQUAL JUSTICE CENTER

LABG committed \$40,107 and \$51,732 for 2022 and 2021, respectively, to the Kentucky Equal Justice Center (KEJC), for expenses for services that KEJC 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.

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

**Notes to Financial Statements
(Continued)**

NOTE 12 RETIREMENT BENEFITS (CONTINUED)

Multiple-Employer Pension Plan (Continued)

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.

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, 2022 and 2021, the year-end of the plan, was 23.40% and 21.17% of participating members' compensations. The contribution requirement of LABG to the CERS for the years ended December 31, 2022 and 2021 was \$620,512 and \$585,450, respectively. There have been no significant changes that affect comparability of 2022 and 2021 contributions.

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

	2022	2021
Actuarial value of assets	\$ 8,148,912	\$ 7,715,883
Actuarial accrued liability	15,674,220	14,894,907
Unfunded actuarial accrued liability	7,525,308	7,179,024
Total contributions received by the plan	606,807	472,228

Multiple-Employer Post-retirement 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.

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

**Notes to Financial Statements
(Continued)**

NOTE 12 RETIREMENT BENEFITS (CONTINUED)

Multiple-Employer Post-retirement Benefits Other than Pension Plans (Continued)

Plan sponsors are required to contribute annually at an actuarially determined rate. The rate as of June 30, 2022 and 2021, the year end of the plan, was 3.39% and 5.78%, respectively, of participating members' compensations. The contribution requirement of LABG to the KRS Insurance Fund for the years ended December 31, 2022 and 2021 was \$125,186 and \$115,512, respectively. There have been no significant changes that affect comparability of 2022 and 2021 contributions.

NOTE 13 SIGNIFICANT CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. During 2022 and 2021, 30% and 39% of all LABG's support and revenue was received from LSC, respectively.

NOTE 14 CONTRIBUTED NONFINANCIAL ASSETS

LABG receives nonfinancial contributions that are recognized within revenues and expenses on the consolidated statement of activities. Contributed nonfinancial assets include contributed legal services. Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions and are used in LABG's programs.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contributed legal services comprise of time from private attorneys and other assigned to work with staff attorneys. The fair value of contributed legal services are estimated at the standard hourly rates for attorneys in LABG's practice areas. LABG recognized contributed legal services of \$439,200 and \$305,280 in 2022 and 2021, respectively.

SUPPLEMENTARY INFORMATION

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

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Legal Services Corporation	09.618004	KY-10 618004	\$ 1,868,238
Legal Services Corporation TIG Program	09.618004	AD--00638	33,638
Legal Services Corporation Pro Bono Innovation Fund Transformation Grant	09.618004	AD-PB21T-0002	<u>94,540</u>
Total for CFDA 09.618004			<u>1,996,416</u>
U.S. Department of Health and Human Services			
<i>Passed through Bluegrass Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	AS-2021-2022 & AS-2022-2023	29,722
<i>Passed through Buffalo Trace Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	PON2-725-2100002005 & PON3-725-2200000036	18,793
<i>Passed through FIVCO Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	LAB PON2 725 2100002005 FY 22-Title III Omb./Legal Assist. & LAB PON3 725 2200000036 FY 23-Title III Omb./Legal	15,014
Title III-B - Ombudsman of Older Americans	93.044	LAB PON2 725 2100002005 FY 22-Title III Omb./Legal Assist. & LAB PON3 725 2200000036 FY 23-Title III Omb./Legal	15,610
<i>Passed through Gateway Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	22-01-LABG	22,369
Title III-B - Ombudsman of Older Americans	93.044	22-01-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-22-LA & HS-A-23-LA	<u>34,648</u>
Total for CFDA 93.044			<u>150,956</u>
<i>Passed through Kentucky Cabinet for Health and Family Services:</i>			
Public Health Workforce - Community Health Worker	93.048	PON2 725 2300001268	<u>5,285</u>
<i>Passed through Bluegrass Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	AS-2021-2022 & AS-2022-2023	103,457
<i>Passed through FIVCO Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	LAB PON2 725 2000003467 SHIP FY 22 & LAB - PON3 725 2200000040 SHIP FY 23	30,692
<i>Passed through Gateway Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	22-04-LABG	26,538
<i>Passed through Northern Kentucky Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	HS-A-22-LA & HS-A-23-LA	41,304
<i>Passed through Kentucky Cabinet for Health and Family Services:</i>			
Public Health Workforce - Community Health Worker	93.324	PON2 725 2300001268	<u>5,285</u>
Total for CFDA 93.324			<u>207,276</u>
<i>Passed through Bluegrass Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	AS-2021-2022 & AS-2022-2023	88,283
<i>Passed through FIVCO Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	LAB PON2 725 2100003015 & LAB PON3 725 2200000037	13,166
<i>Passed through Gateway Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	22-04-LABG	30,059
<i>Passed through the National Council on Aging:</i>			
Medicare Improvements for Patients and Providers Act Benefits Enrollment Center	93.071	90MINC0001	64,991
<i>Passed through Northern Kentucky Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	HS-A-22-LA & HS-A-23-LA	<u>48,802</u>
Total for CFDA 93.071			<u>245,301</u>

(Continued)

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

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<i>Passed through FIVCO Area Development District:</i> Title VII of Older Americans Act - Elder Abuse	93.041	LAB PON2 725 2100001810-Title VII & LAB PON3 725 2200000019 Title VII	2,406
<i>Passed through Gateway Area Development District:</i> Title VII of Older Americans Act - Elder Abuse	93.041	22-01-LABG	5,172
Total for CFDA 93.041			<u>7,578</u>
<i>Passed through FIVCO Area Development District:</i> Title VII of Older Americans Act - Ombudsman	93.042	LAB PON2 725 2100001810-Title VII & LAB PON3 725 2200000019 Title VII	5,332
<i>Passed through Gateway Area Development District:</i> Title VII of Older Americans Act - Ombudsman	93.042	22-01-LABG	3,045
Total for CFDA 93.042			<u>8,377</u>
<i>Passed through Northern Kentucky Area Development District:</i> Communities RISE	93.011	1 U3SHS42187-01	15,000
<i>Passed through Northern Council on Aging:</i> Communities RISE	93.011	1 U3SHS42187-01-00	38,011
Total for CFDA 93.042			<u>53,011</u>
Total U.S. Department of Health and Human Services			<u>677,784</u>
U.S. Department of Housing and Urban Development			
<i>Passed through West Tennessee Legal Services:</i> Housing Counseling Assistance Program	14.169	HC200011002 & HC210011028	67,093
U.S. Department of Justice			
<i>Direct Award:</i> Equal Justice Works - Elder Justice Program	16.582	2020-OVC-EJP-014	63,481
<i>Passed Through Kentucky Justice & Public Safety Cabinet:</i> Victim of Crimes Act 1984	16.575	VOCA-2021-Legal Aid-00085 & VOCA-2022-Legal Aid-000018	620,119
American Rescue Plan Act (ARPA) 2021 - Project HOPE (Holistic Legal Options for People in Emergency Situations)	16.575	ARPA-2021-Legal Ai-00053	33,952
Total for CFDA 16.575			<u>654,071</u>
Coronavirus Emergency Supplemental Funding - Project Legal Zoom Room	16.034	CESF-2020-Legal Aid-00114	110,000
Department of Justice LAV Grant	16.524	15JOVW-21-GG-00370-LEGA	219,724
Kentucky Comprehensive Advocacy and Resource Efforts (K-CARE) Grant	16.838	DG-KCARE-COSSAP-2019-Legal Ai-00006	417,063
Total U.S. Department of Justice			<u>1,464,339</u>
U.S. Department of the Treasury			
<i>Passed Through Lexington/Fayette Urban County Government:</i> Emergency Rental Assistance Program - Eviction Court Intervention & Outreach	21.023	ERSA2	279,727
<i>Passed Through Kentucky Equal Justice Center:</i> Emergency Rental Assistance Program - Eviction Court Intervention & Outreach	21.023	None	145,460
Total for CFDA 21.023			<u>425,187</u>
<i>Passed Through City of Covington, Kentucky:</i> Financial Literacy and Legal Representation Program	21.027	ARPA- 0020-0101-4660-0000	10,250
Total U.S. Department of the Treasury			<u>435,437</u>
Total Expenditures of Federal Awards			<u>\$ 4,641,069</u>

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

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2022**

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, 2022. 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, 2022**

	<u>Without donor restrictions</u>		<u>Total</u>
	<u>Operations</u>	<u>Property</u>	
Unrestricted support and revenue	\$ 7,021,227	\$ -	\$ 7,021,227
Expenses			
Salaries and benefits:			
Lawyers	1,554,544	-	1,554,544
Non-Lawyers	1,520,570	-	1,520,570
Lawyers' salaries - donated	439,200	-	439,200
Employee benefits	1,506,895	-	1,506,895
Total salaries and benefits	<u>5,021,209</u>	<u>-</u>	<u>5,021,209</u>
Grant to KEJC	40,107	-	40,107
Contract services	786,579	-	786,579
Travel	93,673	-	93,673
Space and occupancy	124,394	-	124,394
Publications, dues and fees	26,221	-	26,221
Library updates	49,126	-	49,126
Telephone	104,463	-	104,463
Depreciation	-	90,683	90,683
Office expense	126,417	-	126,417
Litigation costs	38,058	-	38,058
Equipment rental, purchase and repair	124,300	-	124,300
Interest expense	8,982	-	8,982
Seminars and training	61,262	-	61,262
Insurance	57,287	-	57,287
Miscellaneous expense	22,396	-	22,396
Total expenses	<u>6,684,474</u>	<u>90,683</u>	<u>6,775,157</u>
Change in net assets	336,753	(90,683)	246,070
Acquisition of equipment and reclassifications	(42,228)	42,228	-
Net assets, beginning of year	<u>1,773,777</u>	<u>963,514</u>	<u>2,737,291</u>
Net assets, end of year	<u><u>\$ 2,068,302</u></u>	<u><u>\$ 915,059</u></u>	<u><u>\$ 2,983,361</u></u>

See independent auditors' report

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

**Supplemental Detail Statement of Activities
December 31, 2022**

	American Bar Endowment (Bankruptcy)	Anthem Expungement Grant	BEC - Communities RISE	BEC SHIP (NCOA) - Other	MIPPA Bluegrass	SHIP HCFA Bluegrass	Title III Bluegrass	Boots on the Ground	Title III Buffalo Trace	Butler Foundation	Capital Campaign	Capital Campaign Lexington
Support and revenue												
Grants and contracts	\$ 50,000	\$ -	\$ 7,000	\$ 30,000	\$ 88,283	\$ 103,457	\$ 29,722	\$ 1,000	\$ 19,040	\$ -	\$ -	\$ -
Interest earned and other income	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous contributions	-	-	-	-	-	-	-	-	-	695	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	50,000	-	7,000	30,000	88,283	103,457	29,722	1,000	19,040	695	-	-
Net assets released from restrictions for the purpose of satisfying the following expenses												
Salaries and benefits												
Lawyers	-	-	-	-	9,580	14,541	18,031	-	6,450	-	-	-
Non-lawyers	-	-	10,458	27,901	45,293	51,875	2,942	-	6,174	-	-	-
Employee benefits	-	-	5,940	14,627	30,028	35,109	8,749	-	6,169	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	-	-	16,398	42,528	84,901	101,525	29,722	-	18,793	-	-	-
Grant to KEJC	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	45,000	-	15,000	2,400	3,382	702	-	-	-	-	-	-
Travel	-	-	72	141	-	512	-	-	-	-	-	-
Space and occupancy	-	-	-	-	-	-	-	-	-	-	-	-
Publications, dues and fees	-	-	-	-	-	125	-	-	-	-	-	-
Library updates	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	373	877	-	-	-	-	-	-	-	-
Office expense	-	-	6,168	18,795	-	534	-	-	-	-	-	-
Litigation costs	-	483	-	-	-	-	-	-	-	1,283	-	-
Equipment purchase, rental, and repair	-	-	-	-	-	-	-	-	-	-	-	-
Recognition & Community Education	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	250	-	59	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions for the purpose of satisfying expenses	45,000	483	38,011	64,991	88,283	103,457	29,722	-	18,793	1,283	-	-
Change in net assets before equipment acquisitions and reclassifications	5,000	(483)	(31,011)	(34,991)	-	-	-	1,000	247	(588)	-	-
Equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Net assets beginning of year	-	729	31,011	38,989	-	-	-	6,072	-	6,519	1,892	3,656
Net assets end of year	\$ 5,000	\$ 246	\$ -	\$ 3,998	\$ -	\$ -	\$ -	\$ 7,072	\$ 247	\$ 5,931	\$ 1,892	\$ 3,656

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2022**

	CHFS Community Health Work	City of Covington ARPA	Community Chest	COSSAP	Covington Expenses	CY Pres	Donations	Elder Law Equal Justice Works	Fayette County Bar Association	Elder Abuse FIVCO	MIPPA FIVCO	State Ombudsman FIVCO	SHIP HCFA FIVCO	Title III FIVCO
Support and revenue														
Grants and contracts	\$ 10,570	\$ 10,250	\$ -	\$ 417,063	\$ -	\$ -	\$ 15,000	\$ 63,482	\$ 8,000	\$ 2,406	\$ 13,166	\$ 28,604	\$ 30,692	\$ 15,011
Interest earned and other income	-	-	-	-	-	-	175	-	-	-	-	-	-	-
Miscellaneous contributions	-	-	-	-	-	-	61,431	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	10,570	10,250	-	417,063	-	-	76,606	63,482	8,000	2,406	13,166	28,604	30,692	15,011
Net assets released from restrictions for the purpose of satisfying the following expenses														
Salaries and benefits														
Lawyers	-	4,938	-	42,066	-	-	117,041	51,199	1,200	-	1,869	-	3,717	8,228
Non-lawyers	7,445	1,229	-	171,072	-	-	-	-	11,568	1,398	6,139	16,086	14,902	1,691
Employee benefits	3,125	2,766	-	113,642	-	-	34,447	3,913	5,829	1,008	4,427	11,593	10,384	5,092
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	10,570	8,933	-	326,780	-	-	151,488	55,112	18,597	2,406	12,435	27,679	29,003	15,011
Grant to KEJC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	1,317	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	-	-	-	30,890	-	-	8,576	-	-	-	731	-	1,689	-
Travel	-	-	-	5,883	-	-	409	634	-	-	-	-	-	-
Space and occupancy	-	-	-	13,932	-	-	-	-	-	-	-	-	-	-
Publications, dues and fees	-	-	-	83	-	-	843	-	-	-	-	-	-	-
Library updates	-	-	-	5,071	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	10,735	-	-	-	-	1,643	-	-	-	-	-
Office expense	-	-	-	10,935	-	-	2,568	7,300	-	-	-	925	-	-
Litigation costs	-	-	-	-	-	-	5,306	161	-	-	-	-	-	-
Equipment purchase, rental, and repair	-	-	-	6,754	-	-	-	-	1,000	-	-	-	-	-
Recognition & Community Education	-	-	-	-	-	-	8,733	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	2,000	-	-	-	275	-	-	-	-	-	-
Insurance	-	-	-	4,000	-	-	-	-	-	-	-	-	-	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	637	-	-	-	-	-	-	-
Net assets released from restrictions for the purpose of satisfying expenses	10,570	10,250	-	417,063	-	-	178,560	63,482	21,240	2,406	13,166	28,604	30,692	15,011
Change in net assets before equipment acquisitions and reclassifications	-	-	-	-	-	-	(101,954)	-	(13,240)	-	-	-	-	-
Equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets beginning of year	-	-	-	-	11,798	46,552	255,371	-	21,240	-	-	-	-	-
Net assets end of year	\$ -	\$ -	\$ -	\$ -	\$ 11,798	\$ 46,552	\$ 153,417	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2022**

	Title III Ombudsman FIVCO	Title VII Ombudsman FIVCO	Franklin County Fiscal Court	Elder Abuse Gateway	LTC State Gateway	MIPPA Gateway	SHIP HCFA Gateway	Title III Gateway	Title III Ombudsman Gateway	Title VII Ombudsman Gateway	Anonymous Foundation	Goodwill	Goodwill PAI
Support and revenue													
Grants and contracts	\$ 15,610	\$ 5,332	\$ -	\$ 1,389	\$ 27,523	\$ 30,059	\$ 26,538	\$ 22,369	\$ 14,800	\$ 3,045	\$ -	\$ 164,880	\$ 883
Interest earned and other income	-	-	-	3,783	-	-	-	-	-	-	-	-	-
Miscellaneous contributions	-	-	2,000	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	15,610	5,332	2,000	5,172	27,523	30,059	26,538	22,369	14,800	3,045	-	164,880	883
Net assets released from restrictions for the purpose of satisfying the following expenses													
Salaries and benefits													
Lawyers	-	-	250	-	-	5,724	4,815	12,634	-	-	-	49,237	-
Non-lawyers	9,036	2,702	907	999	20,058	13,154	11,453	2,476	10,202	2,219	-	24,409	-
Employee benefits	6,510	1,947	506	372	7,465	9,584	8,264	7,259	3,798	826	-	35,122	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	15,546	4,649	1,663	1,371	27,523	28,462	24,532	22,369	14,000	3,045	-	108,768	-
Grant to KEJC	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	-	-	-	-	-	-	-	-	-	-	883
Contract services	64	-	-	2,238	-	1,597	1,417	-	-	-	-	5,600	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Space and occupancy	-	-	-	-	-	-	-	-	-	-	-	1,000	-
Publications, dues and fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Library updates	-	-	-	-	-	-	-	-	-	-	-	2,500	-
Telephone	-	-	187	-	-	-	-	-	-	-	-	11,372	-
Office expense	-	683	-	1,330	-	-	589	-	800	-	-	1,836	-
Litigation costs	-	-	-	-	-	-	-	-	-	-	-	24,804	-
Equipment purchase, rental, and repair	-	-	150	-	-	-	-	-	-	-	-	7,000	-
Recognition & Community Education	-	-	-	233	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	2,000	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions for the purpose of satisfying expenses	15,610	5,332	2,000	5,172	27,523	30,059	26,538	22,369	14,800	3,045	-	164,880	883
Change in net assets before equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets beginning of year	-	-	2,000	-	-	-	-	-	-	-	25,190	-	-
Net assets end of year	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,190	\$ -	\$ -

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2022**

	HUD	IOLTA Bank of America	IOLTA CY Pres	IOLTA Fellow	IOLTA Other	Justice Cabinet CESF	KEJC	Kentucky Bar Foundation	Kentucky Filing Fee - PAI	Kentucky Filing Fee - Other	Kentucky River Foothills	Kentucky Housing Corp	Kentucky General Fund
Support and revenue													
Grants and contracts	\$ 68,369	\$ -	\$ -	\$ 75,453	\$ 75,590	\$ 110,000	\$ 145,460	\$ -	\$ 110,090	\$ 544,939	\$ 215	\$ 4,380	\$ 104,600
Interest earned and other income	-	-	-	-	-	-	-	-	-	11,511	-	-	-
Miscellaneous contributions	-	-	17,351	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	68,369	-	17,351	75,453	75,590	110,000	145,460	-	110,090	556,450	215	4,380	104,600
Net assets released from restrictions for the purpose of satisfying the following expenses													
Salaries and benefits:													
Lawyers	29,021	20,040	-	261	23,938	-	41,196	-	26,077	(166)	138	2,766	700
Non-lawyers	10,675	100,648	-	34,556	11,213	-	39,130	-	11,981	13,130	-	-	35,284
Employee benefits	21,115	61,385	-	19,624	16,166	-	41,007	-	17,487	682	77	1,614	13,583
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	60,811	182,073	-	54,441	51,317	-	121,333	-	55,545	13,646	215	4,380	49,567
Grant to KEJC	-	-	-	-	-	-	-	-	-	40,107	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	59,420	-	-	-
Contracted Client Services- Attorney	-	-	-	-	-	-	2,308	-	27,598	9,969	-	-	-
Contract services	-	2,073	-	6,785	11,034	43,616	4,161	-	12,078	3,624	-	-	7,104
Travel	3,825	28,323	-	5,998	1,735	-	-	-	1,890	1,121	-	-	5,944
Space and occupancy	-	-	-	-	2,310	-	884	-	2,499	8,127	-	-	5,528
Publications, dues and fees	100	11,750	-	-	686	-	-	-	1,186	-	-	-	1,688
Library updates	-	-	-	-	914	-	1,405	-	997	1,486	-	-	12,379
Telephone	2,356	1,863	-	-	1,939	-	10,243	-	2,108	-	-	-	-
Office expense	-	-	-	-	2,419	1,313	1,283	-	2,588	266	-	-	-
Litigation costs	-	-	-	-	690	-	-	-	755	366	-	-	-
Equipment purchase, rental, and repair	-	22,213	-	4,747	30	65,071	2,343	-	33	(4,894)	-	-	2,000
Recognition & Community Education	-	-	-	-	362	-	-	-	518	293	-	-	-
Interest	-	-	-	-	-	-	-	-	-	8,982	-	-	-
Seminars and training	-	30,966	-	5,000	1,087	-	-	-	1,144	735	-	-	-
Insurance	-	6,672	-	-	1,067	-	1,500	-	1,151	-	-	-	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions for the purpose of satisfying expenses	67,092	285,933	-	76,971	75,590	110,000	145,460	-	110,090	143,248	215	4,380	84,210
Change in net assets before equipment acquisitions and reclassifications	1,277	(285,933)	17,351	(1,518)	-	-	-	-	-	413,202	-	-	20,390
Equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	(32,824)	-	-	(9,404)
Net assets beginning of year	-	285,933	63,947	65,705	-	-	-	2,720	-	374,562	-	-	113,614
Net assets end of year	\$ 1,277	\$ -	\$ 81,298	\$ 64,187	\$ -	\$ -	\$ -	\$ 2,720	\$ -	\$ 754,940	\$ -	\$ -	\$ 124,600

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2022**

	KY Nonprofit Assistance Fund	LAV Grant	Legal Aid BG Louisville Custody	LFUCG	Legal Services Corporation PAI	Legal Services Corporation Pro Bono Innovation	Legal Services Corporation TIG (19003)	Legal Services Corporation TIG (190036)	Legal Services Corporation Excess 2021 Fund Balance	Legal Services Corporation	HRSA Communities RISE	Centon County Homeless Outreach	Boone County NKADD
Support and revenue													
Grants and contracts	\$ 52,926	\$ 219,724	\$ 12,000	\$ 279,727	\$ 69,289	\$ 94,540	\$ 30,999	\$ 2,639	\$ 179,832	\$ 1,618,840	\$ 15,000	\$ 1,612	\$ 18,756
Interest earned and other income	-	-	-	-	-	-	-	-	-	276	-	-	-
Miscellaneous contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	52,926	219,724	12,000	279,727	69,289	94,540	30,999	2,639	179,832	1,619,116	15,000	1,612	18,756
Net assets released from restrictions for the purpose of satisfying the following expenses													
Salaries and benefits													
Lawyers	-	105,406	1,750	3,595	19,978	45,766	-	-	49,600	458,967	-	1,076	10,110
Non-lawyers	-	-	5,341	112,914	8,852	9,199	-	-	41,466	415,374	7,771	-	2,574
Employee benefits	-	51,797	2,577	52,814	13,213	28,034	-	-	45,652	428,340	4,155	536	6,072
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	-	157,203	9,668	169,323	42,043	82,999	-	-	136,718	1,302,681	11,926	1,612	18,756
Grant to KEJC	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	-	-	7,364	-	-	-	-	-	-	-	-
Contract services	-	8,000	-	95,975	9,703	3,770	30,999	-	29,512	137,406	-	-	-
Travel	-	3,421	-	-	1,357	2,946	-	-	-	5,206	-	-	-
Space and occupancy	-	4,870	-	12,000	1,842	1,000	-	-	3,000	50,296	-	-	-
Publications, dues and fees	-	1,819	-	-	-	500	-	-	-	-	-	-	-
Library updates	-	4,217	-	-	710	-	-	-	-	16,975	-	-	-
Telephone	-	8,021	1,295	2,329	1,527	1,551	-	-	1,102	34,978	-	-	-
Office expense	-	6,915	-	100	1,775	-	-	-	4,000	41,749	3,074	-	-
Litigation costs	-	-	-	-	585	-	-	-	-	3,220	-	-	-
Equipment purchase, rental, and repair	-	-	1,000	-	24	-	-	-	1,000	7,545	-	-	-
Recognition & Community Education	-	-	37	-	483	-	-	-	-	1,424	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	-	1,038	1,774	-	2,639	-	1,205	-	-	-
Insurance	-	-	-	-	838	-	-	-	4,500	16,431	-	-	-
LAV Contractual Services	-	25,258	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions for the purpose of satisfying expenses	-	219,724	12,000	279,727	69,289	94,540	30,999	2,639	179,832	1,619,116	15,000	1,612	18,756
Change in net assets before equipment acquisitions and reclassifications	52,926	-	-	-	-	-	-	-	-	-	-	-	-
Equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets beginning of year	-	-	12,000	-	-	-	-	-	-	-	-	-	-
Net assets end of year	\$ 52,926	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2022**

	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	Service Generated Income	State of Kentucky Health Insurance
Support and revenue												
Grants and contracts	\$ 20,777	\$ 41,304	\$ 24,772	\$ 48,802	\$ 34,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned and other income	-	-	-	-	-	-	85	-	-	-	5,589	-
Miscellaneous contributions	-	-	-	-	-	-	-	-	-	4,000	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-
Total support and revenue	20,777	41,304	24,772	48,802	34,648	-	85	-	-	4,000	5,589	-
Net assets released from restrictions for the purpose of satisfying the following expenses												
Salaries and Benefits												
Lawyers	11,230	4,184	12,995	4,449	18,924	-	-	3,328	-	-	-	-
Non-lawyers	2,793	20,000	3,479	25,931	4,632	-	-	-	10,991	-	-	-
Employee benefits	6,754	12,961	7,777	16,547	11,092	-	-	1,672	4,009	-	-	-
Donated legal services	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	20,777	37,145	24,251	46,927	34,648	-	-	5,000	15,000	-	-	-
Grant to KEJC	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-
Contracted Client Services- Attorney	-	-	521	-	-	-	-	-	-	-	-	-
Contract services	-	1,582	-	1,875	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Space and occupancy	-	-	-	-	-	-	-	-	-	-	-	-
Publications, dues and fees	-	202	-	-	-	-	-	-	-	-	-	-
Library updates	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Office expense	-	2,375	-	-	-	-	-	-	-	-	-	-
Litigation costs	-	-	-	-	-	-	-	-	-	-	-	-
Equipment purchase, rental, and repair	-	-	-	-	-	-	-	-	-	-	-	-
Recognition & Community Education	-	-	-	-	-	-	-	-	-	4,000	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions for the purpose of satisfying expenses	20,777	41,304	24,772	48,802	34,648	-	-	5,000	15,000	4,000	-	-
Change in net assets before equipment acquisitions and reclassifications	-	-	-	-	-	-	85	(5,000)	(15,000)	-	5,589	-
Equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Net assets beginning of year	-	-	-	-	-	1,000	512	50,000	18,617	44,365	75,900	100,887
Net assets end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 597	\$ 45,000	\$ 3,617	\$ 44,365	\$ 81,489	\$ 100,887

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2022**

	Rental Earned Income	UK (CAT) Legal Partnership	United Way of Grtr Cinci	United Way Heart of Kentucky	United Way of the Bluegrass	United Way of Franklin County	VOCA (PAI)	VOCA	VOCA (ARPA)	Unclassified	Total
Support and revenue											
Grants and contracts	\$ -	\$ 4,823	\$ -	\$ -	\$ -	\$ -	\$ 19,677	\$ 600,442	\$ 33,952	\$ 1,501	\$ 5,920,852
Interest earned and other income	-	-	-	-	-	-	-	-	-	63,967	85,386
Miscellaneous contributions	-	-	150,212	12,000	5,000	-	-	-	-	362	253,051
Rental income	29,238	-	-	-	-	-	-	-	-	-	29,238
Donated legal services	-	-	-	-	-	-	-	-	-	439,200	439,200
Total support and revenue	29,238	4,823	150,212	12,000	5,000	-	19,677	600,442	33,952	505,030	6,727,727
Net assets released from restrictions for the purpose of satisfying the following expenses											
Salaries and Benefits											
Lawyers	-	1,945	7,740	1,300	1,021	-	-	282,493	13,196	-	1,554,544
Non-lawyers	-	305	25,978	6,441	5,077	1,913	-	76,669	2,465	-	1,520,570
Employee benefits	-	996	32,989	2,960	2,480	589	-	191,344	7,928	2,366	1,506,895
Donated legal services	-	-	-	-	-	-	-	-	-	439,200	439,200
Total salaries and benefits	-	3,246	66,707	10,701	8,578	2,502	-	550,506	23,589	441,566	5,021,209
Grant to KEJC	-	-	-	-	-	-	-	-	-	-	40,107
Children's Law Center	-	-	-	-	-	-	-	-	-	-	59,420
Contracted Client Services- Attorney	-	-	-	-	-	-	19,677	4,002	-	-	73,639
Contract services	-	-	25,393	-	-	-	-	27,738	1,350	45,200	628,264
Travel	-	-	22,966	-	-	-	-	930	114	246	93,673
Space and occupancy	6,149	-	5,774	449	-	-	-	4,117	617	-	124,394
Publications, dues and fees	-	-	7,239	-	-	-	-	-	-	-	26,221
Library updates	-	-	120	-	-	-	-	1,838	514	-	49,126
Telephone	-	1,077	-	550	723	575	-	6,044	996	-	104,464
Office expense	-	-	532	-	-	-	-	4,434	871	260	126,417
Litigation costs	-	-	405	-	-	-	-	-	-	-	38,058
Equipment purchase, rental, and repair	-	500	6,000	300	700	500	-	-	284	-	124,300
Recognition & Community Education	-	-	-	-	-	-	-	-	-	5,106	21,189
Interest	-	-	-	-	-	-	-	-	-	-	8,982
Seminars and training	-	-	2,186	-	-	-	-	-	-	10,904	61,262
Insurance	-	-	12,678	-	-	-	-	833	5,617	-	57,287
LAV Contractual Services	-	-	-	-	-	-	-	-	-	-	25,258
Miscellaneous expenses	-	-	-	-	-	-	-	-	-	567	1,204
Net assets released from restrictions for the purpose of satisfying expenses	6,149	4,823	150,000	12,000	10,001	3,577	19,677	600,442	33,952	503,849	6,684,474
Change in net assets before equipment acquisitions and reclassifications	23,089	-	212	-	(5,001)	(3,577)	-	-	-	1,181	43,253
Equipment acquisitions and reclassifications	-	-	-	-	-	-	-	-	-	-	(42,228)
Net assets beginning of year	274,928	-	173,323	25,531	12,782	3,577	-	-	-	-	2,150,922
Net assets end of year	\$ 298,017	\$ -	\$ 173,535	\$ 25,531	\$ 7,781	\$ -	\$ -	\$ -	\$ -	\$ 1,181	\$ 2,151,947

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, 2022**

	Period	Award Amount	Recognized in 2022
American Bar Endowment - Opportunity Grant	04/22 - 03/23	\$ 50,000	\$ 50,000
BEC SHIP Funding			
Sustainability Benefits Enrollment Center (BEC) Grants	10/21 - 09/23	120,000	30,000
HRASA Communities Rise	08/21 - 03/22	70,000	7,000
Bluegrass Area Development District			
Title III	07/21 - 06/22	26,830	8,421
	07/22 - 06/23	26,830	21,301
MIPPA	09/21 - 08/22	90,615	60,411
	09/22 - 08/23	83,614	27,872
SHIP	07/21 - 06/22	101,914	50,957
	07/22 - 06/23	105,000	52,500
Buffalo Trace Area Development District			
Title III	07/21 - 06/22	15,000	11,098
	07/22 - 06/23	9,000	7,942
CHFS-Community Health Worker	12/22 - 09/24	232,546	10,570
City of Covington ARPA	09/22 - 08/23	100,000	10,250
KY Justice and Public Safety Cabinet (COSSAP) - Kentucky Comprehensive Advocacy & Resource Efforts (K-CARE)	07/21 - 09/23	1,056,096	417,063
Equal Justice Works			
Elder Justice Program	06/20 - 12/22	142,668	63,482
FIVCO			
Title VII Ombudsman	07/21 - 06/22	5,137	2,569
	07/22 - 06/23	7,261	2,763
Title VII Elder Abuse	07/21 - 06/22	2,438	1,218
	07/22 - 06/23	2,385	1,188
State Long Term Care Ombudsman	07/21 - 06/22	28,690	14,344
	07/22 - 06/23	28,526	14,260
MIPPA	09/21 - 08/22	12,638	8,426
	09/22 - 08/23	14,214	4,740
Title III B Ombudsman	07/21 - 06/22	15,606	7,804
	07/22 - 06/23	15,606	7,806
SHIP	07/21 - 06/22	30,986	15,492
	07/22 - 06/23	30,400	15,200
Title III Legal Assistance	07/21 - 06/22	16,352	4,895
	07/22 - 06/23	76,250	10,116
Gateway Area Development District			
Elder Abuse	07/21 - 06/22	1,591	795
	07/22 - 06/23	1,192	594
LTC STATE	07/21 - 06/22	27,985	13,993
	07/22 - 06/23	27,058	13,530
Title IIIB Ombudsman	07/21 - 06/22	14,800	7,400
	07/22 - 06/23	14,800	7,400
Title IIIB Legal Assistance	07/21 - 06/22	18,300	11,766
	07/22 - 06/23	18,300	10,603
Title VII Ombudsman	07/21 - 06/22	3,353	1,677
	07/22 - 06/23	6,917	1,368
SHIP	07/21 - 06/22	26,477	13,238
	07/22 - 06/23	26,600	13,300
MIPPA	07/21 - 06/22	28,976	15,214
	07/22 - 06/23	30,159	14,845

(Continued)

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

**Supplemental Schedule – Summary of Funding (Continued)
December 31, 2022**

	Period	Award Amount	Recognized in 2022
Goodwill	10/21-06/22	105,000	91,138
	07/22-06/23	112,500	74,625
HUD Western Tennessee Legal Services	10/19 - 06/22	175,445	56,239
	07/22-09/23	86,821	12,131
IOLTA	09/21 - 08/22	148,115	98,743
	09/22 - 08/23	156,900	52,300
Kentucky Equal Justice Center	07/22 - 06/23	438,420	145,460
Kentucky File Fee (Access to Justice)	01/22 - 12/22	655,029	655,029
Kentucky Housing Corp.	07/21 - 06/22	8,000	4,380
Kentucky General Fund	01/22 - 12/22	104,600	104,600
Justice Cabinet - CESF Funding	01/22 - 09/22	110,000	110,000
Kentucky River Foothills SSVF	01/22 - 12/22	214	214
Kentucky Nonprofit Assistance Fund	01/22 - 12/22 #	52,926	52,926
Legal Aid Society of Louisville Visitation and Custody Hotline	07/21 - 06/22	12,000	6,000
	07/22 - 06/23	12,000	6,000
Legal Assistance to Victims	10/21 - 09/24	600,000	219,724
LSC			
Legal Services Corp. Basic	01/21 - 12/21	1,800,990	179,832
Legal Services Corp. Basic	01/22 - 12/22	1,875,216	1,688,130
Legal Services Corp. PBIF	10/21 - 09/24	440,000	94,540
Legal Services Corp. TIG	10/19 - 07/23	176,966	30,999
Legal Services Corp. TIG	12/22 - 05/24	35,000	2,639
Lexington Fayette Urban County Government - Eviction Court Intervention and Outreach	07/21-03/23	440,000	279,727
NKADD			
Boone County	07/21- 06/22	17,000	8,814
	07/22- 06/23	19,800	9,942
Campbell County	07/21- 06/22	17,500	10,132
	07/22- 06/23	18,000	10,645
Kenton County	06/21- 05/22	20,200	10,217
	06/22- 05/23	18,040	16,167
SHIP	07/21- 06/22	41,959	20,979
	07/22- 06/23	40,649	20,325
MIPPA	09/21 - 08/22	53,611	32,762
	09/22 - 08/23	51,326	16,040
Title III	07/21- 06/22	26,067	14,450
	07/22- 06/23	26,067	20,198
HRASA Communities Rise	06/21-03/22	20,000	15,000
Univ. of Kentucky-Child Advocacy Today	02/21 - 09/22	100,000	4,822
VOCA	10/21 - 09/22	663,540	453,217
	10/22 - 09/23	530,832	166,902
VOCA-ARPA	11/22 - 10/23	169,586	33,952
Other	Various		25,501
			<u><u>\$ 5,920,852</u></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 (LABG) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 28, 2023.

Report on 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 was not designed to 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LABG's financial statements are free from 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 28, 2023
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

Opinion on Each Major Federal Program

We have audited Legal Aid of the Bluegrass' (LABG) compliance with the types of compliance requirements identified as subject to audit 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, 2022. LABG's major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, LABG 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of LABG and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of LABG's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to LABG's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LABG's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

**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)**

Auditor's Responsibilities for the Audit of Compliance (Continued)

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about LABG's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding LABG's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of LABG's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 LABG's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**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 (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Barnes, Dennig & Co., Ltd.

April 28, 2023
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, 2022**

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	Legal Services Corporation

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, 2022**

Reference Number	Summary of Finding	Status
No matters are reportable		