

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

Financial Statements with Supplementary Information
December 31, 2023 and 2022, and
Independent Auditors' Report

NORTHERN KENTUCKY LEGAL AID SOCIETY, INC.
(DBA LEGAL AID OF THE BLUEGRASS)
December 31, 2023 and 2022

Contents

	<u>Page(s)</u>
Independent Auditors' Report	1 - 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 20
Supplementary Information:	
Schedule of Expenditures of Federal Awards	21 - 23
Statement of Activities – Unrestricted Net Assets - Summary	24
Statement of Activities – Unrestricted Net Assets - Detail	25 - 31
Summary of Funding	32 - 33
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 <i>Government Auditing Standards</i>	34 - 35
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and Legal Service Corporation's Audit Guide and Compliance Supplement	36 - 38
Schedule of Findings and Questioned Costs	39
Summary of Schedule of Prior Year Audit Findings	40

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) (the "Organization"), which comprise the statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Organization'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 the Organization'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 the Organization'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 24 through 33 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 30, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Organization's internal control over financial reporting and compliance.



April 30, 2024
Crestview Hills, Kentucky

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

**Statements of Financial Position
December 31, 2023 and 2022**

	2023	2022
Assets		
Cash and cash equivalents	\$ 2,285,218	\$ 1,580,378
Grants receivable	1,746,252	1,016,828
Contributions receivable, net	101,494	97,360
Prepaid expenses	29,117	45,724
Client escrow funds	6,662	7,947
Property and equipment, net	1,696,678	1,143,426
Right of use assets, net - operating leases	118,935	178,224
Total assets	\$ 5,984,356	\$ 4,069,887
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 41,620	\$ 95,752
Accrued compensated absences	118,102	114,050
Accrued payroll, taxes and benefits	200,937	71,014
Client trust deposits	6,662	7,947
Refundable advance - other grants	175,454	105,721
Refundable advance - LSC	433,241	187,086
Notes payable	255,898	243,334
Lease liabilities - operating leases	118,082	177,977
Total liabilities	1,349,996	1,002,881
Net Assets		
Without donor restrictions		
Net investment in property and equipment	1,455,747	915,059
Undesignated	2,600,216	2,068,302
Total net assets without donor restrictions	4,055,963	2,983,361
With donor restrictions		
	578,397	83,645
Total net assets	4,634,360	3,067,006
Total liabilities and net assets	\$ 5,984,356	\$ 4,069,887

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, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grants and contracts	\$ 7,026,203	\$ 482,057	\$ 7,508,260
Interest and other income	94,581	-	94,581
Other contributions	113,715	101,494	215,209
Rental income	30,045	-	30,045
Donated legal services	584,640	-	584,640
Net assets released from restrictions	88,799	(88,799)	-
Total support and revenue	7,937,983	494,752	8,432,735
Expenses			
Salaries and benefits:			
Lawyers	1,489,638	-	1,489,638
Non-lawyers	1,472,289	-	1,472,289
Lawyer's salaries - donated	584,640	-	584,640
Employee benefits	1,446,147	-	1,446,147
Total salaries and benefits	4,992,714	-	4,992,714
Grant to KEJC	69,569	-	69,569
Contract services	701,498	-	701,498
Travel	91,894	-	91,894
Space and occupancy	174,487	-	174,487
Publications, dues and fees	28,499	-	28,499
Library updates	50,867	-	50,867
Telephone	104,632	-	104,632
Depreciation	82,423	-	82,423
Office	186,080	-	186,080
Litigation costs	126,046	-	126,046
Equipment rental, purchase and repair	137,488	-	137,488
Interest	9,075	-	9,075
Seminars and training	17,802	-	17,802
Insurance	55,544	-	55,544
Miscellaneous	36,763	-	36,763
Total expenses	6,865,381	-	6,865,381
Change in net assets	1,072,602	494,752	1,567,354
Net assets, beginning of year	2,983,361	83,645	3,067,006
Net assets, end of year	\$ 4,055,963	\$ 578,397	\$ 4,634,360

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**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	<u>7,021,227</u>	<u>(293,500)</u>	<u>6,727,727</u>
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	<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	126,417	-	126,417
Litigation costs	38,058	-	38,058
Equipment rental, purchase and repair	124,300	-	124,300
Interest	8,982	-	8,982
Seminars and training	61,262	-	61,262
Insurance	57,287	-	57,287
Miscellaneous	22,396	-	22,396
Total expenses	<u>6,775,157</u>	<u>-</u>	<u>6,775,157</u>
Change in net assets	246,070	(293,500)	(47,430)
Net assets, beginning of year	<u>2,737,291</u>	<u>377,145</u>	<u>3,114,436</u>
Net assets, end of year	<u>\$ 2,983,361</u>	<u>\$ 83,645</u>	<u>\$ 3,067,006</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, 2023**

	<u>Legal Services</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits				
Lawyers	\$ 1,355,571	\$ 112,095	\$ 21,972	\$ 1,489,638
Non-lawyers	1,148,385	180,554	143,350	1,472,289
Employee benefits	1,244,473	120,956	80,718	1,446,147
Total salaries and related expenses	3,748,429	413,605	246,040	4,408,074
Other expenses				
Grant to KEJC	59,829	9,740	-	69,569
Contract services	580,250	121,248	-	701,498
Travel	79,029	9,704	3,161	91,894
Space and occupancy	150,059	18,426	6,002	174,487
Publications, dues and fees	24,509	3,010	980	28,499
Library updates	43,746	5,372	1,749	50,867
Telephone	89,984	11,048	3,600	104,632
Office	160,029	19,650	6,401	186,080
Litigation costs	108,400	17,646	-	126,046
Equipment purchase, rental and repair	118,240	14,519	4,729	137,488
Interest	7,804	959	312	9,075
Seminars and training	15,310	1,880	612	17,802
Insurance	47,768	5,865	1,911	55,544
Miscellaneous	31,614	3,885	1,264	36,763
Total expenses before donated services and depreciation	5,265,000	656,557	276,761	6,198,318
Donated services	584,640	-	-	584,640
Depreciation	70,884	8,703	2,836	82,423
	<u>\$ 5,920,524</u>	<u>\$ 665,260</u>	<u>\$ 279,597</u>	<u>\$ 6,865,381</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, 2022**

	<u>Legal Services</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
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	<u>1,296,749</u>	<u>126,115</u>	<u>84,031</u>	<u>1,506,895</u>
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	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	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	<u>20,985</u>	<u>571</u>	<u>840</u>	<u>22,396</u>
Total expenses before donated services and depreciation	5,354,323	606,968	283,983	6,245,274
Donated services	439,200	-	-	439,200
Depreciation	<u>80,708</u>	<u>6,747</u>	<u>3,228</u>	<u>90,683</u>
	<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)**

**Statements of Cash Flows
Years Ended December 31, 2023 and 2022**

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 1,567,354	\$ (47,430)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	82,423	90,683
Gain on sale of property and equipment	-	(10,955)
Receipts of client escrow funds held in agency transactions	6,460	7,892
Payments of client escrow funds held in agency transactions	(7,745)	(38,069)
Non-cash lease recovery	(606)	(247)
Changes in:		
Grants receivable	(729,424)	(175,422)
Contributions receivable, net	(4,134)	6,714
Prepaid expenses	16,607	(12,285)
Accounts payable	(54,132)	61,432
Accrued compensated absences	4,052	7,148
Accrued payroll, benefits and taxes	129,923	(129,063)
Refundable advances	315,888	3,119
Net cash provided (used) by operating activities	1,326,666	(236,483)
Cash flows used by investing activities		
Purchase of property and equipment	(588,832)	(5,939)
Proceeds from sale of property and equipment	-	25,922
Net cash provided (used) by investing activities	(588,832)	19,983
Cash flows used by financing activities		
Principal payments on notes payable	(34,279)	(36,289)
Net cash used by financing activities	(34,279)	(36,289)
Net change in cash, cash equivalents, and restricted cash	703,555	(252,789)
Cash, cash equivalents, and restricted cash, beginning of year	1,588,325	1,841,114
Cash, cash equivalents, and restricted cash, end of year	\$ 2,291,880	\$ 1,588,325
Supplemental cash flows information		
Interest paid	\$ 9,075	\$ 8,982
Note payable incurred for purchase of property and equipment	\$ 46,843	\$ -

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). LABG also receives supplemental funds from the Commonwealth of Kentucky's Access to Justice Fees (Kentucky filing fees).

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

Financial Statement Presentation

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

Cash and Cash Equivalents / Client Escrow Funds

At various times throughout the year, LABG may have cash in financial institutions in excess of insured limits. The Federal Deposit Insurance Company (FDIC) insures account balances up to \$250,000 for each business depositor. Using these criteria, LABG had cash in excess of insured limits of \$1,574,472 and \$989,446 as of December 31, 2023 and 2022, 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, 2023, cash and cash equivalents of \$2,285,218 and client escrow funds of \$6,662 reported within the statement of financial position sum to the total of \$2,291,880, which is the total of the cash, cash equivalents, and restricted cash shown in the statement of cash flows. 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.

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, 2023 and 2022, these conditional promises to give totaled approximately \$2,209,000 and \$2,614,000. 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 2023 and 2022 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.

Subsequent Events

LABG has evaluated subsequent events through April 30, 2024, 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:

	2023	2022
Cash and cash equivalents	\$ 1,803,161	\$ 1,580,378
Grants receivable	1,746,252	1,016,828
Contributions receivable, net	101,494	97,360
	\$ 3,650,907	\$ 2,694,566

Contributions receivable 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). Management has 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>2023</u>	<u>2022</u>
Bluegrass ADD	\$ 81,526	\$ 91,183
Boone County	5,417	4,261
Campbell County	10,536	10,645
Equal Justice Works	-	10,888
FIVCO ADD	41,831	27,141
Gateway ADD	28,517	34,633
Goodwill Industries of Kentucky	127,414	87,328
HUD	30	24,878
Kenton County	8,951	5,458
Kentucky Housing Corporation	114,138	68,471
Kentucky Justice Cabinet	127,917	85,533
LAV	116,266	57,950
LFUCG	486,000	118,811
LSC	128,473	65,775
Northern Kentucky ADD	39,793	32,765
Other organizations and local bar associations	135,702	90,254
VOCA	293,741	200,854
	<u>\$ 1,746,252</u>	<u>\$ 1,016,828</u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31 consisted of the following:

	<u>2023</u>	<u>2022</u>
Due within one year	\$ 107,494	\$ 103,360
Less allowance for uncollectible contributions receivable	<u>(6,000)</u>	<u>(6,000)</u>
	<u>\$ 101,494</u>	<u>\$ 97,360</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:

	2023	2022
Land, building and improvements	\$ 2,246,795	\$ 1,665,963
Office furniture and equipment	843,762	788,919
	3,090,557	2,454,882
Less accumulated depreciation	(1,393,879)	(1,311,456)
	\$ 1,696,678	\$ 1,143,426

For 2023 and 2022, LABG had \$31,240 in office furniture and equipment purchased with LSC funds, respectively. The accumulated depreciation was \$23,739 and \$19,977 in 2023 and 2022, 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 8.50% and 7.50% at December 31, 2023 and 2022, respectively. For the years ending December 31, 2023 and 2022, there were no borrowings on the line of credit. The line is collateralized by substantially all of LABG's assets and expires in March 2025, with an option to renew annually.

NOTE 7 NOTES PAYABLE

	2023	2022
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.	\$ 217,692	\$ 243,334
The Organization has a note payable to finance the purchase of an automobile. The note charges a fixed interest rate of 3.99% and is collateralized by the automobile. Monthly payments of principal are \$1,385 until May 23, 2026 when it matures.	38,206	-
	\$ 255,898	\$ 243,334

**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, 2023, are:

2024		\$	41,998
2025			43,539
2026			170,361
			170,361
			\$ 255,898

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Contributions receivable	\$ 96,340	\$ 83,645
IOLTA Bank of America settlement	82,057	-
Legal Services Corp. -		
Disaster Funding Case Management	150,000	-
Legal Services Corp. Telework Capacity Building	250,000	-
	\$ 578,397	\$ 83,645
	578,397	83,645

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:

	2023	2022
Operating lease expense	\$ 61,266	\$ 61,266
Variable lease expense	29,251	24,483

Other information related to leases was as follows:

Operating cash flows	\$ 61,872	\$ 61,513
Weighted average remaining lease term	2.24 years	3.13 years
Weighted average discount rate	1.36%	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, 2023 were as follows:

2024		\$	54,452
2025			44,167
2026			<u>21,261</u>
Total future minimum lease payments			119,880
Less imputed interest			<u>(1,798)</u>
Lease liabilities		\$	<u>118,082</u>

LABG leases a portion of its premises to a third party. Rental income was \$30,045 and \$29,238 in 2023 and 2022, respectively. Minimum future rental income under this non-cancellable lease as of December 31, 2023 is as follows:

2024		\$	31,005
2025			<u>26,480</u>
		\$	<u><u>57,485</u></u>

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 2023 and 2022.

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

**Notes to Financial Statements
(Continued)**

NOTE 10 PRIVATE ATTORNEY INVOLVEMENT (CONTINUED)

The following amounts were expended for private attorney involvement, which represented approximately 13% and 14% of the LSC basic field grant for 2023 and 2022, respectively, and 42% and 40% of Kentucky filing fees for 2023 and 2022, respectively, which exceeds the 12.5% PAI requirement.

	2023	2022
Salaries	\$ 111,953	\$ 103,882
Fringe benefits	54,953	47,548
Telephone	4,086	4,116
Space - rent	6,173	4,911
Space - other	64	65
Office supplies	6,571	4,939
Library	1,691	1,933
Insurance	2,233	2,248
Annual recognition and training of volunteers	557	793
Litigation	-	1,519
Miscellaneous expense	964	1,012
Training	945	2,468
Travel	3,489	3,672
Contractual services	21,022	24,501
Direct client service costs	60,521	48,158
Direct other contracted services	5,250	16,133
	\$ 280,472	\$ 267,898

NOTE 11 KENTUCKY EQUAL JUSTICE CENTER

LABG committed \$69,569 and \$40,107 for 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022 was \$599,341 and \$620,512, respectively. There have been no significant changes that affect comparability of 2023 and 2022 contributions.

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

	2023	2022
Actuarial value of assets	\$ 8,585,073	\$ 8,148,912
Actuarial accrued liability	15,296,428	15,674,220
Unfunded actuarial accrued liability	6,711,355	7,525,308
Total contributions received by the plan	697,681	606,807

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, 2023 and 2022, 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, 2023 and 2022 was \$98,080 and \$125,186, respectively. There have been no significant changes that affect comparability of 2023 and 2022 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 2023 and 2022, 24% and 30% 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 \$584,640 and \$439,200 in 2023 and 2022, 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, 2023**

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	\$ 1,910,501
Legal Services Corporation TIG Program	09.618004	AD--00638	45,282
Legal Services Corporation Pro Bono Innovation Fund Transformation Grant	09.618004	AD-PB21T-0002	<u>107,135</u>
Total for ALN 09.618004			<u>2,062,918</u>
U.S. Department of Agriculture			
<i>Passed through KY Youth Advocates</i>			
WIC Community Innovation and Outreach Project	10.557	None	13,333
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-2022-2023 & AS-2023-2024	26,951
<i>Passed through Buffalo Trace Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	PON3-725-2200000036	4,370
<i>Passed through FIVCO Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	LAB PON3 725 2200000036 FY 23-Title III Omb./Legal Assist. & LAB PON3 725 2200000036 FY 24-Title III Omb./Legal Assist.	83,044
Title III-B - Ombudsman of Older Americans	93.044	LAB PON3 725 2200000036 FY 23-Title III Omb./Legal Assist. & LAB PON3 725 2200000036 FY 24-Title III Omb./Legal Assist.	25,553
<i>Passed through Gateway Area Development District:</i>			
Helping the Elderly with Legal Problem Solving Title III-B of Older Americans	93.044	23-01-LABG & 24-01-LABG	11,872
Title III-B - Ombudsman of Older Americans	93.044	23-01-LABG & 24-01-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-23-LA & HS-A-24-LA	<u>27,852</u>
Total for ALN 93.044			<u>194,442</u>
<i>Passed through Kentucky Cabinet for Health and Family Services:</i>			
Public Health Workforce - Community Health Worker	93.048	PON2 725 2300001268	<u>63,422</u>
<i>Passed through Bluegrass Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	AS-2022-2023 & AS-2023-2024	107,500
<i>Passed through FIVCO Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	LAB - PON3 725 2200000040 SHIP FY 23 & LAB - PON3 725 2200000040 SHIP FY 24	38,025
<i>Passed through Gateway Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	23-04-LABG & 24-04-LABG	34,700
<i>Passed through Northern Kentucky Area Development District:</i>			
SHIP (Consolidated Appropriations Act)	93.324	HS-A-23-LA & HS-A-24-LA	48,649
<i>Passed through Kentucky Cabinet for Health and Family Services:</i>			
Public Health Workforce - Community Health Worker	93.324	PON2 725 2300001268	<u>63,421</u>
Total for ALN 93.324			<u>292,295</u>
<i>Passed through Bluegrass Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	AS-2022-2023 & AS-2023-2024	78,950
<i>Passed through FIVCO Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	LAB PON3 725 2200000040 FY 23 MIPPA & LAB PON3 725 2200000037 FY 23 MIPPA	12,526
<i>Passed through Gateway Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	23-04-LABG & 24-04-LABG	25,729
<i>Passed through the National Council on Aging:</i>			
Medicare Improvements for Patients and Providers Act Benefits Enrollment Center	93.071	90MINC0001	45,000
<i>Passed through Northern Kentucky Area Development District:</i>			
Medicare Improvements for Patients and Providers Act MIPPA	93.071	HS-A-23-LA & HS-A-24-LA	<u>47,686</u>
Total for ALN 93.071			<u>209,891</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, 2023**

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 PON3 725 2200000019 FY 23 Title VII Omb/Elder Abuse & LAB PON3 725 2200000019 FY 24 Title VII Omb/Elder Abuse	2,465
<i>Passed through Gateway Area Development District:</i>			
Title VII of Older Americans Act - Elder Abuse	93.041	23-01-LABG & 24-01-LABG	<u>1,008</u>
Total for ALN 93.041			<u>3,473</u>
<i>Passed through FIVCO Area Development District:</i>			
Title VII of Older Americans Act - Ombudsman	93.042	LAB PON3 725 2200000019 FY 23 Title VII Omb/Elder Abuse & LAB PON3 725 2200000019 FY 24 Title VII Omb/Elder Abuse	14,539
<i>Passed through Gateway Area Development District:</i>			
Title VII of Older Americans Act - Ombudsman	93.042	23-01-LABG & 24-01-LABG	<u>7,673</u>
Total for ALN 93.042			<u>22,212</u>
Total U.S. Department of Health and Human Services			<u>785,735</u>
U.S. Department of Housing and Urban Development			
<i>Passed through West Tennessee Legal Services:</i>			
I Housing Counseling Assistance Program	14.169	HC210011028 & HC220011020	<u>79,070</u>
U.S. Department of Justice			
<i>Passed Through Kentucky Justice & Public Safety Cabinet:</i>			
Victim of Crimes Act 1984	16.575	VOCA-2022-Legal Aid-000018 & PON2-500- 2300003738	500,118
American Rescue Plan Act (ARPA) 2021 - Project HOPE (Holistic Legal Options for People in Emergency Situations)	16.575	ARPA-2021-Legal Ai-00053 & PON 500 2400000465	<u>228,811</u>
Total for ALN 16.575			<u>728,929</u>
Department of Justice LAV Grant	16.524	15JOVW-21-GG-00370-LEGA	232,157
Kentucky Comprehensive Advocacy and Resource Efforts (K-CARE) Grant	16.838	DG-KCARE-COSSAP-2019-Legal Ai-00006	<u>533,176</u>
Total U.S. Department of Justice			<u>1,494,262</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	369,458
<i>Passed Through Office of Kentucky Legal Services Program:</i>			
Emergency Rental Assistance Program	21.023	ERA0025	<u>292,960</u>
Total for ALN 21.023			<u>662,418</u>
<i>Direct Award</i>			
Noncapital Grant Community Partner Agreement	21.027	ERA2	543,151
<i>Passed Through City of Covington, Kentucky:</i>			
Financial Literacy and Legal Representation Program	21.027	ARPA- 0020-0101-4660-0000	<u>89,750</u>
Total U.S. Department of the Treasury			<u>1,295,319</u>
Total Expenditures of Federal Awards			<u>\$ 5,730,637</u>

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

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2023**

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, 2023. 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, 2023**

	<u>Without donor restrictions</u>		<u>Total</u>
	<u>Operations</u>	<u>Property</u>	
Unrestricted support and revenue	\$ 7,937,983	\$ -	\$ 7,937,983
Expenses			
Salaries and benefits:			
Lawyers	1,489,638	-	1,489,638
Non-Lawyers	1,472,289	-	1,472,289
Lawyers' salaries - donated	584,640	-	584,640
Employee benefits	1,446,147	-	1,446,147
Total salaries and benefits	<u>4,992,714</u>	<u>-</u>	<u>4,992,714</u>
Grant to KEJC	69,569	-	69,569
Contract services	701,498	-	701,498
Travel	91,894	-	91,894
Space and occupancy	174,487	-	174,487
Publications, dues and fees	28,499	-	28,499
Library updates	50,867	-	50,867
Telephone	104,632	-	104,632
Depreciation	-	82,423	82,423
Office	186,080	-	186,080
Litigation costs	126,046	-	126,046
Equipment rental, purchase and repair	137,488	-	137,488
Interest	9,075	-	9,075
Seminars and training	17,802	-	17,802
Insurance	55,544	-	55,544
Miscellaneous	36,763	-	36,763
Total expenses	<u>6,782,958</u>	<u>82,423</u>	<u>6,865,381</u>
Change in net assets	1,155,025	(82,423)	1,072,602
Acquisition of equipment and reclassifications	(623,111)	623,111	-
Net assets, beginning of year	<u>2,068,302</u>	<u>915,059</u>	<u>2,983,361</u>
Net assets, end of year	<u>\$ 2,600,216</u>	<u>\$ 1,455,747</u>	<u>\$ 4,055,963</u>

See independent auditors' report

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

**Supplemental Detail Statement of Activities
December 31, 2023**

	American Bar Endow (Bkrptcy)	Anthem Expungement Grant	BEC SHIP (NCOA)	Bluegrass MIPPA	BlueGrass SHIP HCFA	BlueGrass Title III	Boots on the Ground	Buffalo Trace Title III	BUTLER FOUNDATION	Capital Campaign Donations IPleg	Capital Campaign LEXINGTON	CHFS-Community Health Worker
Support and Revenue												
Grant & Contracts	\$ -	\$ -	\$ 45,000	\$ 78,950	\$ 107,500	\$ 26,951	\$ -	\$ 4,370	\$ -	\$ -	\$ -	\$ 126,843
Interest Earned & other Income	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	-	-	45,000	78,950	107,500	26,951	-	4,370	-	-	-	126,843
Salaries and Benefits:												
Lawyers	-	-	-	5,880	7,497	8,423	-	1,175	-	-	-	3,492
Non-lawyers	-	-	22,395	44,544	57,160	10,230	-	1,684	-	-	-	62,230
Employee benefits	-	-	12,233	25,386	32,522	8,238	-	1,511	-	-	-	31,036
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	-	-	34,628	75,810	97,179	26,951	-	4,370	-	-	-	96,758
Other Expenses												
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-
Contract services-Attorney	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	5,000	-	1,599	3,140	4,268	-	-	-	-	-	-	9,000
Travel	-	-	166	-	-	-	-	-	-	-	-	1,000
Space and occupancy	-	-	-	-	-	-	-	-	-	-	-	5,310
Publications, dues and fees	-	-	-	-	130	-	-	-	-	-	-	3,000
Library updates	-	-	-	-	-	-	-	-	-	-	-	874
Telephone	-	-	950	-	-	-	-	-	-	-	-	2,000
Office	-	-	5,528	-	5,923	-	-	-	-	-	-	6,401
Litigation costs	-	-	-	-	-	-	-	-	-	-	-	-
Equipment rental, purchase and repair	-	-	-	-	-	-	-	-	-	-	-	1,000
Recognition & Community Education	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	2,129	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	1,500
LAV Contractual	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	5,000	-	45,000	78,950	107,500	26,951	-	4,370	-	-	-	126,843
Net Income	(5,000)	-	-	-	-	-	-	-	-	-	-	-
Equipment acquisitions & reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets beginning of Year	5,000	246	3,998	-	-	-	7,072	247	5,931	1,892	3,657	-
Net Assets End of Year	\$ -	\$ 246	\$ 3,998	\$ -	\$ -	\$ -	\$ 7,072	\$ 247	\$ 5,931	\$ 1,892	\$ 3,657	\$ -

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2023**

	City of Covington ARPA – PAI	City of Covington ARPA – Other	COSSAP	Covington Expenses	CY Pres	Donations	County Bar Associatio n	FIVCO Elder Abuse	FIVCO MIPPA	FIVCO Ombudsm an STATE	FIVCO SHIP HCFA	FIVCO Title III
Support and Revenue												
Grant & Contracts	\$ 12,518	\$ 77,232	\$ 533,176	\$ -	\$ -	\$ -	\$ 7,000	\$ 2,465	\$ 12,526	\$ 27,838	\$ 38,025	\$ 83,044
Interest Earned & other Income	-	-	-	-	-	434	-	-	-	-	-	-
Miscellaneous Contributions	-	-	-	-	-	37,412	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	12,518	77,232	533,176	-	-	37,846	7,000	2,465	12,526	27,838	38,025	83,044
Salaries and Benefits:												
Lawyers	4,064	32,981	107,091	-	-	-	-	-	800	-	1,858	7,926
Non-lawyers	-	15,726	140,806	-	-	-	4,200	1,422	7,093	16,149	22,016	11,883
Employee benefits	2,305	22,098	137,034	-	-	-	2,045	1,043	4,136	11,689	12,452	10,071
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	6,369	70,805	384,931	-	-	-	6,245	2,465	12,029	27,838	36,326	29,880
Other Expenses												
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-
Contract services-Attorney	6,149	6,427	-	-	-	-	-	-	-	-	-	-
Contract services	-	-	39,429	-	-	-	-	-	497	-	1,529	29,221
Travel	-	-	-	-	-	269	-	-	-	-	-	-
Space and occupancy	-	-	17,031	-	-	-	-	-	-	-	-	-
Publications, dues and fees	-	-	-	-	-	1,000	-	-	-	-	-	-
Library updates	-	-	12,193	-	-	-	-	-	-	-	-	-
Telephone	-	-	13,668	-	-	-	-	-	-	-	-	-
Office	-	-	24,610	133	-	513	-	-	-	-	27	23,940
Litigation costs	-	-	-	-	-	1,800	-	-	-	-	-	-
Equipment rental, purchase and repair	-	-	34,305	-	-	-	-	-	-	-	-	-
Recognition & Community Education	-	-	-	-	-	7,205	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	-	-	-	-	-	-	-	143	-
Insurance	-	-	7,011	-	-	-	-	-	-	-	-	-
LAV Contractual	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	12,518	77,232	533,178	133	-	10,787	6,245	2,465	12,526	27,838	38,025	83,041
Net Income	-	-	(2)	(133)	-	27,059	755	-	-	-	-	3
Equipment acquisitions & reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets beginning of Year	-	-	-	11,798	46,552	153,417	8,000	-	-	-	-	(3)
Net Assets End of Year	\$ -	\$ -	\$ (2)	\$ 11,665	\$ 46,552	\$ 180,476	\$ 8,755	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2023**

	FIVCO Title III Ombudsman	FIVCO TITLE VII Ombudsman	Franklin County Fiscal Court	Gateway Elder Abuse	GATEWAY LTC STATE	Gateway MIPPA	Gateway SHIP HCFA	Gateway Title III	Gateway Title III Ombudsman	Gateway Title VII Ombudsman	Anonymous Foundation	Goodwill
Support and Revenue												
Grant & Contracts	\$ 25,553	\$ 14,539	\$ -	\$ 1,008	\$ 27,378	\$ 25,729	\$ 34,700	\$ 11,872	\$ 14,800	\$ 7,674	\$ -	\$ 144,777
Interest Earned & other Income	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	25,553	14,539	-	1,008	27,378	25,729	34,700	11,872	14,800	7,674	-	144,777
Salaries and Benefits:												
Lawyers	-	-	-	-	-	2,241	2,533	5,176	-	-	-	35,814
Non-lawyers	14,989	8,372	-	744	20,058	14,672	19,161	2,659	10,954	5,665	-	24,247
Employee benefits	10,564	6,167	-	264	7,050	7,786	9,762	4,037	3,846	2,009	-	27,808
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	25,553	14,539	-	1,008	27,108	24,699	31,456	11,872	14,800	7,674	-	87,869
Other Expenses												
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-
Contract services-Attorney	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	-	-	-	-	-	1,030	1,377	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Space and occupancy	-	-	-	-	-	-	-	-	-	-	-	-
Publications, dues and fees	-	-	-	-	-	-	-	-	-	-	-	-
Library updates	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Office	-	-	-	-	270	-	1,867	-	-	-	-	-
Litigation costs	-	-	-	-	-	-	-	-	-	-	-	31,227
Equipment rental, purchase and repair	-	-	-	-	-	-	-	-	-	-	-	-
Recognition & Community Education	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
LAV Contractual	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	25,553	14,539	-	1,008	27,378	25,729	34,700	11,872	14,800	7,674	-	119,096
Net Income	-	-	-	-	-	-	-	-	-	-	-	25,681
Equipment acquisitions & reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets beginning of Year	-	-	2,000	-	-	-	-	-	-	-	25,190	-
Net Assets End of Year	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,190	\$ 25,681

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2023**

	Horizon Community Funds	HUD	Bank of America IOLTA	CY PRES IOLTA	IOLTA FELLOW	IOLTA - Other	Kentucky Bar Foundation	Kentucky File Fee PAI	Kentucky File Fee Other	Kentucky Opioid	Kentucky Youth Advocates - WIC	KHC - Kentucky Housing Corp - P	KHC - Kentucky Housing Corp - Other
Support and Revenue													
Grant & Contracts	\$ 1,000	\$ 79,071	\$ 82,057	\$ -	\$ 135,986	\$ 55,781	\$ -	\$ 100,041	\$ 609,446	\$ 250,000	\$ 13,333	\$ 1,492	\$ 291,468
Interest Earned & other Income	-	-	-	-	-	-	-	-	37,120	-	-	-	-
Miscellaneous Contributions	-	-	-	3,987	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	1,000	79,071	82,057	3,987	135,986	55,781	-	100,041	646,566	250,000	13,333	1,492	291,468
Salaries and Benefits:													
Lawyers	-	32,345	-	-	500	17,293	-	20,956	(2,705)	23,841	9,009	266	89,835
Non-lawyers	-	13,617	-	-	18,442	10,098	-	13,293	41,366	14,085	-	-	39,182
Employee benefits	-	25,233	-	-	7,232	12,855	-	16,503	8,281	14,594	4,324	133	62,858
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	-	71,195	-	-	26,174	40,246	-	50,752	46,942	52,520	13,333	399	191,875
Other Expenses													
Grant to KEJCF	-	-	-	-	-	-	-	-	69,569	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	62,444	-	-	-	-
Contract services-Attorney	-	-	-	-	-	-	-	28,580	4,930	-	-	1,093	-
Contract services	-	3,334	-	-	3,040	6,522	-	9,028	3,254	3,000	-	-	53,883
Travel	-	-	-	-	17,000	1,147	-	1,513	6,678	-	-	-	5,000
Space and occupancy	-	1,942	-	-	-	2,094	-	2,553	-	3,000	-	-	9,727
Publications, dues and fees	-	100	-	-	-	482	-	482	-	-	-	-	7,247
Library updates	-	1,000	-	-	-	535	-	762	-	-	-	-	351
Telephone	-	1,500	-	-	-	1,327	-	1,488	252	1,504	-	-	5,398
Office	-	-	-	-	-	2,198	1,023	3,063	1,033	3,000	-	-	6,641
Litigation costs	-	-	-	-	2,000	-	-	-	215	-	-	-	-
Equipment rental, purchase and repair	-	-	-	-	-	22	-	27	61,774	-	-	-	6,000
Recognition & Community Education	-	-	-	-	-	190	-	214	4,256	-	-	-	-
Interest	-	-	-	-	-	-	-	-	9,075	-	-	-	-
Seminars and training	-	-	-	-	5,000	301	-	644	1,641	-	-	-	-
Insurance	-	-	-	-	-	717	-	935	-	-	-	-	5,346
LAV Contractual	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	1,277	-	-	-	-	-	-	8,319	-	-	-	-
Total Expenses	-	80,348	-	-	53,214	55,781	1,023	100,041	280,382	63,024	13,333	1,492	291,468
Net Income	1,000	(1,277)	82,057	3,987	82,772	-	(1,023)	-	366,184	186,976	-	-	-
Equipment acquisitions & reclassifications	-	-	-	-	-	-	-	-	(79,959)	-	-	-	-
Net Assets beginning of Year	-	1,277	-	81,298	64,187	-	2,720	-	754,939	-	-	-	-
Net Assets End of Year	\$ 1,000	\$ -	\$ 82,057	\$ 85,285	\$ 146,959	\$ -	\$ 1,697	\$ -	\$ 1,041,164	\$ 186,976	\$ -	\$ -	\$ -

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2023**

	KY General Fund	Nonprofit Assistance Fund	LAV 2	Legal Aid BG L'ville- Custody	LFUCG Capital Grant	LFUCG - Other Grant	Excess 2022 Fund Balance	Disaster Funding- Case Mgmt	LSC PAI	LSC Pro Bono Innovation	LSC TIG 19003	LSC TIG 190036	LSC Basic Field
Support and Revenue													
Grant & Contracts	\$ 104,600	\$ -	\$ 232,157	\$ 8,061	\$ 543,151	\$ 369,458	\$ 187,086	\$ 150,000	\$ 56,766	\$ 107,135	\$ 16,338	\$ 28,945	\$ 1,866,649
Interest Earned & other Income	-	-	-	-	-	-	-	-	-	-	-	-	9,697
Miscellaneous Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	104,600	-	232,157	8,061	543,151	369,458	187,086	150,000	56,766	107,135	16,338	28,945	1,676,346
Salaries and Benefits:													
Lawyers	650	-	112,895	300	-	30,276	55,848	-	17,096	56,794	-	-	433,533
Non-lawyers	20,122	-	-	400	-	116,076	25,571	-	8,312	6,102	-	2,206	436,692
Employee benefits	9,211	-	53,958	312	-	61,828	41,368	-	11,638	33,138	-	1,236	424,035
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	29,983	-	166,853	1,012	-	208,180	122,787	-	37,046	96,034	-	3,442	1,294,260
Other Expenses													
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract services-Attorney	-	-	-	-	-	-	-	-	2,919	-	-	-	5,686
Contract services	16,928	-	5,500	-	-	39,047	48,000	-	10,723	-	16,338	27,000	123,514
Travel	63	-	4,805	-	-	2,001	-	-	829	1,361	-	-	27,780
Space and occupancy	945	-	8,850	-	-	6,900	2,500	-	1,525	3,500	-	-	74,767
Publications, dues and fees	1,950	-	5,286	-	-	6,658	-	-	-	-	-	-	-
Library updates	-	-	448	-	-	1,000	4,000	-	394	-	-	-	21,039
Telephone	-	-	6,754	-	-	2,000	3,299	-	1,271	3,940	-	-	33,097
Office	-	-	7,078	-	6,151	7,010	-	-	1,310	-	-	-	49,578
Litigation costs	-	-	-	-	-	86,723	500	-	-	300	-	-	3,281
Equipment rental, purchase and repair	1,476	-	-	-	(6,151)	6,439	-	-	16	2,000	-	-	23,178
Recognition & Community Education	-	-	-	37	-	-	-	-	153	-	-	-	1,751
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	3,000	-	-	-	-	-	-	-	-	-	-	1,945	-
Insurance	-	-	-	-	-	3,500	6,000	-	580	-	-	-	18,415
LAV Contractual	-	-	26,583	-	-	-	-	-	-	-	-	-	-
Miscellaneous	42	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	54,387	-	232,157	1,049	-	369,458	187,086	-	56,766	107,135	16,338	32,387	1,676,346
Net Income	50,213	-	-	7,012	543,151	-	-	150,000	-	-	-	(3,442)	-
Equipment acquisitions & reclassifications	-	-	-	-	(543,151)	-	-	-	-	-	-	-	-
Net Assets beginning of Year	124,600	52,926	-	12,000	-	-	-	-	-	-	-	-	-
Net Assets End of Year	\$ 174,813	\$ 52,926	\$ -	\$ 19,012	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ (3,442)	\$ -

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2023**

	Miscellaneous - Unclassified	NKADD Boone Co	NKADD Campbell Co	NKADD HCFA SHIP	NKADD Kenton Co	NKADD MIPPA	NKADD TITLE III	NKU Norse Violence Prevention	Notre Dame Fellowship	Payment Protection Program Loan	PNC Charitable Trust	PNC Foundation	Anonymous Foundations
Support and Revenue													
Grant & Contracts	\$ -	\$ 18,534	\$ 16,604	\$ 48,649	\$ 14,235	\$ 47,686	\$ 27,852	\$ -	\$ 24,283	\$ -	\$ -	\$ -	\$ -
Interest Earned & other Income	47,291	-	-	-	-	-	-	-	-	39	-	-	-
Miscellaneous Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	47,291	18,534	16,604	48,649	14,235	47,686	27,852	-	24,283	39	-	-	-
Salaries and Benefits:													
Lawyers	-	5,919	6,071	3,827	3,202	3,661	7,668	-	23,150	-	-	-	-
Non-lawyers	-	6,793	5,433	25,023	6,330	26,959	11,632	-	-	-	-	-	-
Employee benefits	-	5,822	5,100	13,979	4,703	14,966	8,552	-	9,264	-	-	-	-
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	-	18,534	16,604	42,829	14,235	45,586	27,852	-	32,414	-	-	-	-
Other Expenses													
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract services-Attorney	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract services	33,972	-	-	1,734	-	2,100	-	-	-	-	-	-	-
Travel	-	-	-	519	-	-	-	-	-	-	-	-	-
Space and occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Publications, dues and fees	-	-	-	212	-	-	-	-	-	-	-	-	-
Library updates	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
Office	-	-	-	3,355	-	-	-	-	-	50	-	-	-
Litigation costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment rental, purchase and repair	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition & Community Education	3,507	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminars and training	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
LAV Contractual	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	9,812	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	47,291	18,534	16,604	48,649	14,235	47,686	27,852	-	32,414	50	-	-	-
Net Income	-	-	-	-	-	-	-	-	(8,131)	(11)	-	-	-
Equipment acquisitions & reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets beginning of Year	-	-	-	-	-	-	-	1,000	-	597	45,000	3,617	44,365
Net Assets End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ (8,131)	\$ 586	\$ 45,000	\$ 3,617	\$ 44,365

(Continued)

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

**Supplemental Detail Statement of Activities (Continued)
December 31, 2023**

	Rental Earned Income	Service Generated Income	Kentucky Health Ins.	UW Gtr Cinci Comm Chest	of Kentucky/ Me	UW of Bluegrass	VOCA PAI	VOCA - Other	VOCA- ARPA	VOCA- ARPA - PAI	Unclassifi ed	TOTAL
Support and Revenue												
Grant & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,481	\$ 466,637	\$ 208,416	\$ 20,394	\$ -	\$ 7,508,260
Interest Earned & other Income	-	-	-	-	-	-	-	-	-	-	-	94,581
Miscellaneous Contributions	-	-	-	152,810	21,000	-	-	-	-	-	-	215,209
Rental Income	30,045	-	-	-	-	-	-	-	-	-	-	30,045
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	584,640	584,640
Total Income	30,045	-	-	152,810	21,000	-	33,481	466,637	208,416	20,394	584,640	8,432,735
Salaries and Benefits:												
Lawyers	-	-	-	1,607	374	-	9,432	213,047	74,853	11,144	-	1,489,638
Non-lawyers	-	-	-	11,787	7,095	3,775	-	32,962	29,617	-	-	1,472,289
Employee benefits	-	-	-	5,653	2,250	1,230	5,502	127,482	53,798	6,017	-	1,446,147
Donated Legal Services	-	-	-	-	-	-	-	-	-	-	584,640	584,640
Total salaries and benefits	-	-	-	19,047	9,719	5,005	14,934	373,491	158,468	17,161	584,640	4,992,714
Other Expenses												
Grant to KEJCF	-	-	-	-	-	-	-	-	-	-	-	69,569
Children's Law Center	-	-	-	-	-	-	-	-	-	-	-	62,444
Contract services-Attorney	-	-	-	-	-	-	18,547	8,479	-	3,233	-	86,043
Contract services	-	-	-	115	-	-	-	12,823	10,483	-	-	526,428
Travel	-	-	-	20,650	-	-	-	322	791	-	-	91,894
Space and occupancy	672	-	-	303	-	-	-	22,316	10,552	-	-	174,487
Publications, dues and fees	-	-	-	1,790	-	-	-	162	-	-	-	28,499
Library updates	-	-	-	-	-	-	-	3,431	4,840	-	-	50,867
Telephone	-	-	-	-	-	-	-	17,778	8,406	-	-	104,632
Office	-	-	-	-	-	-	-	16,390	8,988	-	-	186,080
Litigation costs	-	-	-	-	-	-	-	-	-	-	-	126,046
Equipment rental, purchase and repair	-	-	-	738	-	-	-	2,703	3,961	-	-	137,488
Recognition & Community Education	-	-	-	-	-	-	-	-	-	-	-	17,313
Interest	-	-	-	-	-	-	-	-	-	-	-	9,075
Seminars and training	-	-	-	2,999	-	-	-	-	-	-	-	17,802
Insurance	-	-	-	871	-	-	-	8,742	1,927	-	-	55,544
LAV Contractual	-	-	-	-	-	-	-	-	-	-	-	26,583
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	19,450
Total Expenses	672	-	-	46,513	9,719	5,005	33,481	466,637	208,416	20,394	584,640	6,782,958
Net Income	29,373	-	-	106,297	11,281	(5,005)	-	-	-	-	-	1,649,777
Equipment acquisitions & reclassifications	-	-	-	-	-	-	-	-	-	-	-	(623,110)
Net Assets beginning of Year	298,017	81,489	100,886	173,535	25,531	7,781	-	-	-	-	-	2,150,762
Net Assets End of Year	\$ 327,390	\$ 81,489	\$ 100,886	\$ 279,832	\$ 36,812	\$ 2,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,177,429

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, 2023**

	Period	Award Amount	Recognized in 2023
BEC SHIP Funding			
Sustainability Benefits Enrollment Center (BEC) Grants	10/21 - 12/23	\$ 135,000	\$ 45,000
Bluegrass Area Development District			
Title III	07/22 - 06/23	28,830	7,529
	07/23 - 06/24	26,830	19,422
MIPPA	09/22 - 08/23	83,614	55,742
	09/23 - 08/24	69,624	23,208
SHIP	07/22 - 06/23	105,000	52,500
	07/23 - 06/24	110,000	55,000
Buffalo Trace Area Development District			
Title III	07/22 - 06/23	9,000	2,558
	07/23 - 06/24	9,548	1,812
CHFS-Community Health Worker	12/22 - 09/24	232,546	126,843
City of Covington ARPA	09/22 - 08/23	100,000	89,750
KY Justice and Public Safety Cabinet (COSSAP) - Kentucky Comprehensive Advocacy & Resource Efforts (K-CARE)	07/21-12/23	1,056,096	533,176
FIVCO			
Title VII Ombudsman	07/22 - 06/23	11,362	8,490
	07/23 - 06/24	17,075	6,049
Title VII Elder Abuse	07/22 - 06/23	2,385	1,197
	07/23 - 06/24	2,537	1,268
State Long Term Care Ombudsman	07/22 - 06/23	28,526	14,436
	07/23 - 06/24	27,955	13,402
MIPPA	09/22 - 08/23	14,214	9,474
	09/23 - 08/24	9,155	3,052
Title IIIB Ombudsman	07/22 - 06/23	25,557	17,751
	07/23 - 06/24	15,606	7,802
SHIP	07/22 - 06/23	30,400	15,200
	07/23 - 06/24	45,650	22,825
Title III Legal Assistance	07/22 - 06/23	76,250	66,308
	07/23 - 06/24	18,945	16,735
Gateway Area Development District			
Elder Abuse	07/22 - 06/23	1,192	598
	07/23 - 06/24	820	410
LTC State	07/22 - 06/23	27,058	13,528
	07/23 - 06/24	27,097	13,548
Title IIIB Ombudsman	07/22 - 06/23	14,800	7,400
	07/23 - 06/24	14,800	7,400
Title IIIB Legal Assistance	07/22 - 06/23	18,300	7,697
	07/23 - 06/24	18,300	4,175
Title VII Ombudsman	07/22 - 06/23	6,917	4,484
	07/23 - 06/24	5,314	3,190
SHIP	07/22 - 06/23	26,600	21,400
	07/23 - 06/24	42,800	13,300
MIPPA	07/22 - 06/23	30,204	15,359
	07/23 - 06/24	18,383	10,370

(Continued)

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

**Supplemental Schedule – Summary of Funding (Continued)
December 31, 2023**

	Period	Award Amount	Recognized in 2023
Goodwill	07/22-06/23	\$ 112,500	\$ 72,323
	07/23-12/23	56,250	72,455
Homeless Veterans Legal Service	08/23-07/24	150,000	46,777
HUD-West Tennessee Legal Services	07/22-09/23	86,821	29,851
	07/23-09/24	51,926	49,219
IOLTA	09/22 - 08/23	156,900	104,600
	09/23 - 08/24	261,500	87,167
IOLTA - Bank of America	01/24-12/25	82,057	82,057
Kentucky File Fee (Access to Justice)	01/23 - 12/23	709,486	709,486
Kentucky Housing Corp.	07/22 - 06/23	438,420	292,960
Kentucky General Fund	01/23 - 12/23	104,600	104,600
Kentucky Opioid Abatement Advisory Commission	09/23-06/24	250,000	250,000
Kentucky Youth Advocates - WIC	07/23-10/24	30,000	13,333
Legal Aid Society of Louisville Visitation and Custody Hotline	07/22 - 06/23	9,375	3,375
	07/23 - 06/24	9,375	4,686
Legal Assistance to Victims	10/21-09/24	600,000	232,157
Legal Services Corporation			
Legal Services Corp. Basic	01/22 - 12/22	1,875,216	187,086
Legal Services Corp. Basic	01/23 - 12/23	2,156,656	1,723,415
Legal Services Corp. PBI	10/21 - 09/24	440,000	107,135
Legal Services Corp. TIG	10/19 - 07/23	176,966	16,338
Legal Services Corp. TIG	12/22 - 05/24	35,000	28,945
Legal Services Corp. Disaster Supplemental Grant	-----	150,000	150,000
Lexington-Fayette Urban County Government Eviction Court Intervention and Outreach	07/21-04/23	465,000	77,319
	04/23-12/24	926,411	301,637
Nonprofit Capital Grant Community Partner Agreement	10/22-12/26	693,134	543,151
Northern Kentucky Area Development District			
Boone County	07/22- 06/23	19,000	9,858
	07/23- 06/24	18,000	8,676
Campbell County	07/22- 06/23	18,000	7,355
	07/23- 06/24	19,000	9,249
Kenton County	06/22- 05/23	18,040	1,873
	06/23- 05/24	19,075	12,362
SHIP	07/22- 06/23	40,649	20,324
	07/23- 06/24	56,650	28,325
MIPPA	09/22 - 08/23	51,326	35,286
	09/23 - 08/24	37,194	12,400
Title III	07/22- 06/23	26,067	5,869
	07/23- 06/24	52,134	21,982
Notre Dame Fellowship	07/23-12/25	130,000	24,283
VOCA	10/22 - 09/23	530,832	363,930
	10/23 - 09/24	403,432	136,188
VOCA-ARPA	11/22 - 10/23	169,586	135,634
	11/23 - 10/24	425,000	93,177
Other	Various		<u>8,000</u>
			<u>\$ 7,564,231</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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, have issued our report thereon dated April 30, 2024.

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.



April 30, 2024
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, 2023. 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, 2023.

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 30, 2024
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, 2023**

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? X Yes _____ No

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, 2023**

Reference Number	Summary of Finding	Status
No matters are reportable		