

**MID-MISSOURI
LEGAL SERVICES CORPORATION**

INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS,

AND
SINGLE AUDIT

DECEMBER 31, 2020 (Restated) and 2019

Prepared by

WINFREY
CERTIFIED PUBLIC ACCOUNTANTS, LLC
601 W NIFONG BLVD, SUITE 6B
COLUMBIA, MISSOURI

**Mid-Missouri Legal Services Corporation
Independent Auditor's Report,
Financial Statements, and Single Audit**

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infrey Certified Public Accountants, LLC

Harry C. Winfrey, C.P.A.
Jane E. Rasmussen, C.P.A.
Luanne Yarnell, Accountant

Member of
American Institute of C.P.A.s
Missouri Society of C.P.A.s

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mid-Missouri Legal Services Corporation
Columbia, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Mid-Missouri Legal Services Corporation (a nonprofit organization), which comprise the statements of financial position as of and for the years ended December 31, 2020 and 2019, and the related statements of activities, statements of cash flows, and statements of functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mid-Missouri Legal Services Corporation, as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Mid-Missouri Legal Services Corporation as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The accompanying schedule of support, revenue, expense, and changes in LSC funds is presented for purposes of additional analysis as required by the Legal Services Corporation. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 and the schedule of support, revenue, expense and changes in LSC funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2021 on our consideration of Mid-Missouri Legal Services Corporation'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 Mid-Missouri Legal Services Corporation's internal control over financial reporting and compliance.


Winfrey Certified Public Accountants, LLC
Columbia, Missouri

April 16, 2021

Mid-Missouri Legal Services Corporation
Statements of Financial Position
As of December 31, 2020 and 2019

	2020	2019
	(Restated)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 735,918	\$ 1,343,210
Cash - Client Trust Fund	4,069	3,920
Grants Receivable	88,676	66,015
Unconditional Promises to Give	113,886	44,943
Prepaid Expense	33,519	31,770
Utility Deposit	100	100
Total Current Assets:	<u>976,168</u>	<u>1,489,958</u>
Noncurrent Assets		
Fixed Assets, net of Accumulated Depreciation	1,121,272	422,216
Intangible Assets, net of Accumulated Amortization	-	-
Total Noncurrent Assets:	<u>1,121,272</u>	<u>422,216</u>
Total Assets	<u><u>\$ 2,097,440</u></u>	<u><u>\$ 1,912,174</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 13,046	\$ 8,878
Client Trust Funds	4,069	3,920
Accrued Payroll and Payroll Taxes	71,568	51,000
Accrued Employee Benefits -Retirement	44,040	40,357
Unearned Revenue	72,911	45,716
Total Current Liabilities	<u>205,634</u>	<u>149,871</u>
Net Assets		
Without Donor Restrictions	1,777,920	1,717,360
With Donor Restrictions	113,886	44,943
Total Net Assets	<u>1,891,806</u>	<u>1,762,303</u>
Total Liabilities and Net Assets	<u><u>\$ 2,097,440</u></u>	<u><u>\$ 1,912,174</u></u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statement of Activities
For the Year Ended December 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	2020 (Restated)			2019
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and Revenues				
Legal Services Corporation	\$ 546,785	\$ -	\$ 546,785	\$ 463,716
IOLTA Funds	152,034	-	152,034	124,346
Domestic Violence Shelter and Services Grant	86,827	-	86,827	116,382
State of Missouri Filing Fees	173,298	-	173,298	208,848
MO Attorney Contribution for Legal Services for Low-Income People	50,036	-	50,036	61,635
Missouri Bar Grants	75,430	-	75,430	75,398
Heart of Missouri United Way	-	136,829	136,829	67,886
Callaway County United Way	-	11,000	11,000	11,000
Advocates for Family Health MC Plus	50,000	-	50,000	67,025
Victims of Crime Act (VOCA)	104,743	-	104,743	119,971
Other Awards and Grants	83,679	-	83,679	70,836
Attorney's Fees	-	-	-	-
Donations	10,000	-	10,000	30,939
Interest Income	3,053	-	3,053	4,746
Gain on Disposal of Fixed Assets	172,894	-	172,894	-
Net Assets Released from Restrictions:				
Expiration of Time Restrictions	78,886	(78,886)	-	-
Total Support and Revenues	<u>1,587,665</u>	<u>68,943</u>	<u>1,656,608</u>	<u>1,422,728</u>
Expenses:				
Program Services	1,256,926	-	1,256,926	1,129,931
Management and General	270,179	-	270,179	214,983
Total Expenses	<u>1,527,105</u>	<u>-</u>	<u>1,527,105</u>	<u>1,344,914</u>
Change in Net Assets	60,560	68,943	129,503	77,814
Net Assets, Beginning of Year	1,717,360	44,943	1,762,303	1,684,489
Net Assets, End of Year	<u>\$ 1,777,920</u>	<u>\$ 113,886</u>	<u>\$ 1,891,806</u>	<u>\$ 1,762,303</u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation

Statement of Activities

For the Year Ended December 31, 2019

	2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Legal Services Corporation	\$ 463,716	\$ -	\$ 463,716
IOLTA Funds	124,346	-	124,346
Domestic Violence Shelter and Services Grant	116,382	-	116,382
State of Missouri Filing Fees	208,848	-	208,848
MO Attorney Contribution for Legal Services for Low-Income People	61,635	-	61,635
Missouri Bar Grants	75,398	-	75,398
Heart of Missouri United Way	-	67,886	67,886
Callaway County United Way	-	11,000	11,000
Advocates for Family Health MC Plus	67,025	-	67,025
Victims of Crime Act (VOCA)	119,971	-	119,971
Other Awards and Grants	70,836	-	70,836
Attorney's Fees	-	-	-
Donations	30,939	-	30,939
Interest Income	4,746	-	4,746
Gain on Disposal of Fixed Assets	-	-	-
Net Assets Released from Restrictions:			
Expiration of Time Restrictions	62,441	(62,441)	-
Total Support and Revenues	<u>1,406,283</u>	<u>16,445</u>	<u>1,422,728</u>
Expenses			
Program Services	1,129,931	-	1,129,931
Management and General	214,983	-	214,983
Total Expenses	<u>1,344,914</u>	<u>-</u>	<u>1,344,914</u>
Change in Net Assets:	61,369	16,445	77,814
Net Assets, Beginning of Year	1,655,991	28,498	1,684,489
Net Assets, End of Year	<u><u>\$ 1,717,360</u></u>	<u><u>\$ 44,943</u></u>	<u><u>\$ 1,762,303</u></u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	2020			2019
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Total</u>
Expenses				
Personnel				
Lawyers	\$ 660,189	\$ 97,508	\$ 757,697	\$ 690,282
Administrative and Support	149,691	63,900	213,591	201,421
Payroll Taxes	62,316	12,559	74,875	72,036
Employee Benefits	173,338	9,888	183,226	145,669
Total Personnel	<u>1,045,534</u>	<u>183,855</u>	<u>1,229,389</u>	<u>1,109,408</u>
Other Expenses:				
Advertising	1,933	-	1,933	1,428
TIG Expenses	10,695	-	10,695	-
Janitor Services	5,950	-	5,950	5,200
Contract Services to Program	36,156	-	36,156	27,363
Depreciation and Amortization	-	33,819	33,819	15,805
Dues and Fees	7,583	4,281	11,864	9,941
Insurance	6,354	4,712	11,066	10,081
Interest	-	23,555	23,555	-
Judicare	40,932	-	40,932	47,575
Library Maintenance	6,429	-	6,429	4,176
Litigation	358	-	358	201
Meals	-	353	353	1,811
Miscellaneous	450	3,084	3,534	782
Office Supplies/Equipment	31,248	3,472	34,720	26,163
Professional Services	8,043	8,042	16,085	15,320
Rent	10,208	-	10,208	10,208
Repair and Maintenance	11,946	1,328	13,274	8,126
Telephone	17,251	1,917	19,168	17,872
Travel and Conferences	8,319	924	9,243	27,535
Utilities	7,537	837	8,374	5,919
Total Other Expenses	<u>211,392</u>	<u>86,324</u>	<u>297,716</u>	<u>235,506</u>
Total Expenses	<u><u>\$ 1,256,926</u></u>	<u><u>\$ 270,179</u></u>	<u><u>\$ 1,527,105</u></u>	<u><u>\$ 1,344,914</u></u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2019

	2019		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Expenses			
Personnel			
Lawyers	\$ 595,965	\$ 94,317	\$ 690,282
Administrative and Support	141,523	59,898	201,421
Payroll Taxes	60,038	11,998	72,036
Employee Benefits	135,820	9,849	145,669
Total Personnel	<u>933,346</u>	<u>176,062</u>	<u>1,109,408</u>
Other Expenses:			
Advertising	1,428	-	1,428
Janitor Services	4,680	520	5,200
Contract Services to Program	27,363	-	27,363
Depreciation and Amortization	-	15,805	15,805
Dues and Fees	8,963	978	9,941
Insurance	5,638	4,443	10,081
Judicare	47,575	-	47,575
Library Maintenance	4,176	-	4,176
Litigation	201	-	201
Meals	1,099	712	1,811
Miscellaneous	474	308	782
Office Supplies/Equipment	23,547	2,616	26,163
Professional Services	7,660	7,660	15,320
Rent	10,208	-	10,208
Repair and Maintenance	7,313	813	8,126
Telephone	16,085	1,787	17,872
Travel and Conferences	24,848	2,687	27,535
Utilities	5,327	592	5,919
Total Other Expenses	<u>196,585</u>	<u>38,921</u>	<u>235,506</u>
Total Expenses	<u><u>\$ 1,129,931</u></u>	<u><u>\$ 214,983</u></u>	<u><u>\$ 1,344,914</u></u>

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation

Statements of Cash Flows

As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Activities		
Change in Net Assets	\$ 129,503	\$ 77,814
Adjustments to Reconcile Change in Net Asset to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	33,819	15,805
Changes in Assets and Liabilities		
Grants Receivable	(22,661)	(6,631)
Unconditional Promises to Give	(68,943)	(16,445)
Prepaid Expense	(1,749)	(9,335)
Accounts Payable	4,168	4,874
Accrued Payroll and Payroll Taxes	20,568	(25,116)
Accrued Employee Benefits - Retirement	3,683	19,104
Unearned Revenue	27,195	13,820
Total Adjustments	(176,665)	(3,924)
Net Cash Provided by Operating Activities	(47,162)	73,890
Investing Activities		
Purchases of Fixed Assets	(1,109,981)	(29,652)
Sales of Fixed Assets	550,000	-
Net Cash Used by Investing Activities:	(559,981)	(29,652)
Net Increase/(Decrease) in Cash and Cash Equivalents	(607,143)	44,238
Cash and Cash Equivalents at Beginning of Year	1,347,130	1,302,892
Cash and Cash Equivalents at End of Year	<u>\$ 739,987</u>	<u>\$ 1,347,130</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	\$ 23,555	\$ -

See the accompanying notes to the financial statements and independent auditor's report.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2020 (Restated) and 2019

NOTE 1 – Summary of Significant Accounting Policies

Description of Organization

Mid-Missouri Legal Services Corporation (MMLSC) is a Missouri nonprofit corporation organized for the purpose of providing legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance in eleven mid-Missouri counties (Audrain, Boone, Callaway, Chariton, Cole, Cooper, Howard, Miller, Moniteau, Osage, and Randolph), including the cities of Columbia and Jefferson City. MMLSC is primarily funded through grants from Legal Services Corporation ("LSC"), a nonprofit corporation established by Congress to administer a national legal assistance program.

Income Tax

MMLSC is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. MMLSC is not a private foundation pursuant to Section 509(a) of the code.

Method of Accounting

The financial statements have been prepared on an accrual basis and in conformity with United States generally accepted accounting principles (GAAP). Revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, MMLSC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The balance of these accounts was \$739,987 as of December 31, 2020 and \$1,347,130 as of December 31, 2019 of which \$4,069 as of December 31, 2020 and \$3,920 as of December 31, 2019 was restricted to the client trust account.

MMLSC has three accounts at one banking facility, two accounts at two other banking facilities, and one account each at three additional banking facilities. All accounts were covered by Federal Deposit Insurance Corporation (FDIC) coverage as of December 31, 2020 and December 31, 2019.

Contributions

Contributions are considered to be available for the general program of MMLSC unless specifically restricted by the donor. MMLSC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donors are reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2020 (Restated) and 2019

NOTE 1 – Summary of Significant Accounting Policies (continued)

Donated Services

Although none were received in the current or prior year, MMLSC reports amounts in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation, and the amounts involved can be objectively measured.

Net Asset Classifications

Net Assets Without Donor Restrictions

Net assets without donor restrictions are not subject to donor-imposed stipulations. Revenues are reported as net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in the appropriate net asset classification. Board designated funds are classified as net assets without donor restrictions. As of December 31, 2020 there were no board designated funds.

Net Assets With Donor Restrictions

MMLSC reports gifts of cash, grants, and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. Generally, the donors of these assets permit an organization to use all or part of the income earned on related investments for general or specific purposes. There were \$113,886 in net assets with donor restrictions as of December 31, 2020. The restrictions on the assets are time restrictions and expire each year. The time restriction does not affect the use of resources.

Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates primarily related to the paid leave accrual, the allowance for doubtful accounts, and the depreciable lives of equipment. The nature of those estimates, however, is such that variances in actual results are generally immaterial.

Functional Allocation of Expenses

The costs (both direct and indirect) of providing the program and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Indirect expenses are allocated based on each funding category's income as a percentage of total income (not including unbudgeted items). Some of funding sources do not allow indirect costs so their costs are allocated to other funding sources. Functional expense classifications are the same as the natural expense classifications.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2020 (Restated) and 2019

NOTE 2 – Grants Receivable

Grants receivable represents grant funds due to the agency as of December 31, 2020 and 2019 and are considered fully collectible within one year.

NOTE 3 – Unconditional Promises to Give

Unconditional promises consists of future year pledges from two United Way organizations as of December 31, 2020 and 2019 and are considered fully collectible within one year.

NOTE 4 – Unearned Revenue – (Restated)

When MMLSC received grant proceeds from the IOLTA/BOA and MFH-ACA grants the funds were considered Unearned Revenue. Each month MMLSC transfers funds used out of Unearned Revenue. As of December 31, 2020 the remaining balance in the Unearned Revenue account was \$72,911, \$69,772 of which are IOLTA/BOA grant funds and \$3,139 of which were LSC COVID-19 funds (see Note 12).

NOTE 5 – Liquidity and Availability of Financial Assets

MMLSC does not have a fixed policy on the amount to be kept in reserves in the checking account. They generally maintain large balances in the money market accounts to sufficiently meet expenditure needs. In the event of an unanticipated liquidity need, all non-project specific funds would be available for immediate withdrawal.

Financial Assets:

Cash and Cash Equivalents	\$ 739,987
Grants Receivable	88,676
Unconditional Promises to Give	<u>113,886</u>
Financial Assets, at year-end	942,549

Funds unavailable for general expenses within one year due to:

Cash - Client Trust Fund	(4,069)
Restrictions by donor with purpose restrictions	-
Restrictions by donor with time restrictions	-
Board designated reserves	-
Financial assets available to meet cash needs within one year	<u><u>\$ 938,480</u></u>

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2020 (Restated) and 2019

NOTE 6 – Fixed Assets and Accumulated Depreciation

Fixed assets are recorded at cost if purchased and at fair market value on the date of the gift if received by donation. No LSC funds are used by MMLSC to acquire assets.

Effective April 23, 2014 the board approved a policy to capitalize fixed assets with an original cost of \$2,000 or more. Depreciation is calculated using the straight-line method over the useful life of the asset ranging from three to thirty-nine years. The following is a schedule of fixed assets and accumulated depreciation as of December 31:

	2020		
	LSC	Non-LSC	Total
Land	\$ -	\$ 70,500	\$ 70,500.00
Building	-	1,034,428	1,034,428
Equipment	-	80,408	80,408
Law Library	-	535	535
	-	1,185,871	1,185,871
Less: Accumulated Depreciation	-	(64,599)	(64,599)
	\$ -	\$ 1,121,272	\$ 1,121,272

	2019		
	LSC	Non-LSC	Total
Land	\$ -	\$ -	\$ -
Building	-	475,578	475,578
Equipment	-	68,484	68,484
Law Library	-	535	535
	-	544,597	544,597
Less: Accumulated Depreciation	-	(122,381)	(122,381)
	\$ -	\$ 422,216	\$ 422,216

Depreciation expense was \$33,819 and \$15,293 in 2020 and 2019, respectively.

Assets totaling \$468,707 and \$14,015 were disposed of during 2020 and 2019, respectively.

In 2013, \$43,000 was allocated to Land from the purchase of MMLSC's building on Broadway. It was determined in 2019 that MMLSC owned the building but not the land it sits on. Therefore, the \$43,000 was moved from the Land account to the Building account in 2019. The building on Broadway was sold on November 30, 2020. MMLSC purchased a building on Garth Ave in January 2021. See note 15 for details.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2020 (Restated) and 2019

NOTE 7 – Intangible Assets and Accumulated Amortization

In 2014, MMLSC launched a website for the first time in its history. The website is estimated to have around five years of useful life. Therefore the costs related to developing the website were capitalized and are being amortized on a straight-line basis over five years. The following is a schedule of intangible assets and accumulated amortization as of December 31:

	<u>2020</u>	<u>2019</u>
Website	\$5,120	\$5,120
Less: Accumulated Amortization	<u>(5,120)</u>	<u>(5,120)</u>
	<u>\$ -</u>	<u>\$ -</u>

Amortization expense was \$0 and \$0 in 2020 and 2019, respectively.

NOTE 8 – Accrued Payroll and Payroll Taxes

MMLSC records the value of earned time off as a liability at the end of the year. The total value of accrued payroll, annual leave, and payroll tax expense was \$71,568 as of December 31, 2020 and \$51,000 as of December 31, 2019.

NOTE 9 – Fair Value of Financial Instruments

Due to their short-term nature, the carrying value of cash, short-term receivables, prepaid expenses, accounts payable, and note payable approximates their fair value as of December 31, 2020 and 2019.

NOTE 10 – Concentration of Revenue

Approximately 33% and 33% of MMLSC's revenue is received from LSC in a field grant for 2020 and 2019, respectively. The State of Missouri provided another 15% and 20% in 2020 and 2019, respectively, of MMLSC's funding from part of the filing fees for each case, Supreme Court attorney fees, and tort victim awards. Lesser amounts of revenue come from a private foundation which collects interest from attorneys' trust funds and disburses it to legal aid programs, Cy Pres awards, donations, and miscellaneous sources for 2020 and 2019.

NOTE 11 – Retirement Plan

For the years ending December 31, 2020 and 2019, MMLSC made a non-elective profit sharing contribution of \$44,040 and \$40,357 to its defined contribution plan. The amount due for 2019 was \$34,253 but \$13,000 from the forfeiture account was applied to the payment.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2020 (Restated) and 2019

NOTE 12 – LSC Grant Cash Carryover – (Restated)

Although the LSC field grant allows a carryover of cash from one fiscal year to the next, none of the cash on hand at the end of the year is carried over to the next year from the LSC field grant. All LSC funds were spent during the year in compliance with the stipulations of the grant. MMLSC provided grant qualifying services to clients over and above what the LSC grant provides and the additional costs of those services is covered by funds available from other sources.

LSC COVID-19 Response funds in the amount of \$3,139 were received in 2020, classified as unearned revenue, carried over to 2021, and fully spent by January 31, 2021.

NOTE 13 –Net Assets with Donor Restrictions

Net assets with donor restrictions consist only of grants promised in the current year for the next fiscal year, the release of which will occur with the expiration of time. The funds are grants from the following entities:

	<u>2020</u>	<u>2019</u>
Heart of Missouri United Way	\$ 102,886	\$ 33,943
Callaway County United Way	<u>11,000</u>	<u>11,000</u>
	<u>\$ 113,886</u>	<u>\$ 44,943</u>

NOTE 14 – Lease Commitment

MMLSC has entered into a two-year lease agreement for the rental of office space in Jefferson City. The lease was renewed effective December 1, 2020 through November 30, 2022 with a monthly rental payment of \$851. Future lease payments for 2021 are \$10,208 and for 2022 they are \$9,358. There are no commitments after November 2022.

NOTE 15 – Long-Term Debt

MMLSC purchased property at 117 N. Garth Ave, Columbia, MO, on January 2, 2020 for \$705,000. A loan was secured from Central Bank of Boone County for \$599,250 with an interest rate of 4.090%. The remaining amount of purchase and all associated fees were paid by MMLSC. The loan has a maturity date of January 2, 2025. The monthly loan payments were \$3,679 for 59 months with one last payment estimated at \$496,056 due on January 2, 2025.

The loan was paid off on December 18, 2020 with the proceeds from the sale of the old building located at 1201 W. Broadway and additional funds on hand. Sale proceeds were \$548,548 after closing costs of \$1,452. The loan payoff was \$581,284.

Mid-Missouri Legal Services Corporation
Notes to the Financial Statements
For the years ended December 31, 2020 (Restated) and 2019

NOTE 16 – Subsequent Events

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact net income. Other financial impact could occur though such potential impact is unknown at this time.

Subsequent events have been evaluated through April 16, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**SUPPLEMENTARY
INFORMATION**

Mid-Missouri Legal Services Corporation
Schedule of Support, Revenue, Expenses, and Changes in LSC Funds
For the Year Ended December 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	2020 (Restated)					2019
	Basic Field Grant	Private Attorney Involvement	COVID-19 Response	Telework Capacity Building	LSC Grant Total	LSC Grant Total
Support and Revenue						
Grant	\$ 429,425	\$ 61,346	\$ 45,319	\$ 10,695	\$ 546,785	\$463,716
Total Support and Revenue:	429,425	61,346	45,319	10,695	546,785	463,716
Expenses						
Personnel						
Lawyers and Paralegals	237,149	6,539	24,400	-	268,088	213,877
Administrative and Support	70,178	6,911	4,295	-	81,384	96,800
Employee Benefits	83,622	4,712	6,761	-	95,096	76,554
Total Personnel	390,949	18,163	35,457	-	444,568	387,231
Other Expenses						
Insurance	3,270	289	563	-	4,122	2,526
Judicare	-	40,932	-	-	40,932	46,713
Occupancy	6,918	611	1,192	-	8,721	4,787
Advertising and Publicity	571	50	98	-	720	358
Office Supplies	7,404	552	1,096	7,645	16,697	4,470
Audit	4,753	420	819	-	5,992	3,839
Rent	-	-	-	-	-	-
Telephone	5,664	500	976	-	7,140	4,478
Travel-Local and Board	2,530	12	91	-	2,633	3,955
Library	1,221	108	210	-	1,539	795
Training	-	-	199	-	199	1,214
Contract Services to Recipient	8,212	705	4,468	3,050	16,435	5,198
Litigation	-	-	25	-	25	48
Dues and Subscriptions	-	-	120	-	120	-
Miscellaneous	30	3	5	-	37	86
Total Other Expenses	40,573	44,181	9,862	10,695	105,312	78,467
Total Expenses	431,522	62,344	45,319	10,695	549,880	465,698
Change in LSC Funds	(2,097)	(998)	-	-	(3,095)	(1,982)
Transfer of Funds	2,097	998	-	-	3,095	1,982
LSC Funds, Beginning of Year	-	-	-	-	-	-
LSC Funds, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

Mid-Missouri Legal Services Corporation
Schedule of Support, Revenue, Expenses, and Changes in LSC Funds
For the Year Ended December 31, 2019

	2019		
	Basic Field Grant	Private Attorney Involvement	LSC Grant Total
Support and Revenue			
Grant	\$ 405,751	\$ 57,965	\$ 463,716
Total Support and Revenue	405,751	57,965	463,716
Expenses			
Personnel			
Lawyers and Paralegals	205,791	8,086	213,877
Administrative and Support	86,073	10,727	96,800
Employee Benefits	70,160	6,394	76,554
Total Personnel	362,024	25,207	387,231
Other Expenses			
Insurance	2,121	405	2,526
Judicare	-	46,713	46,713
Occupancy	4,019	768	4,787
Advertising and Publicity	301	57	358
Office Supplies	3,543	927	4,470
Audit	3,223	616	3,839
Rent	-	-	-
Telephone	3,760	718	4,478
Travel-Local and Board	3,819	136	3,955
Library	668	127	795
Training	1,019	195	1,214
Contract Services to Recipient	4,406	792	5,198
Litigation	48	-	48
Miscellaneous	72	14	86
Total Other Expenses	26,999	51,468	78,467
Total Expenses	389,023	76,675	465,698
Change in LSC Funds	16,728	(18,710)	(1,982)
Transfer of Funds	(16,728)	18,710	1,982
LSC Funds, Beginning of Year	-	-	-
LSC Funds, End of Year	\$ -	\$ -	\$ -

See independent auditor's report.

SINGLE AUDIT



infrey Certified Public Accountants, LLC

Harry C. Winfrey, C.P.A.
Jane E. Rasmussen, C.P.A.
Luanne Yarnell, Accountant

Member of
American Institute of C.P.A.s
Missouri Society of C.P.A.s

INDEPENDENT AUDITOR'S 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
Mid-Missouri Legal Services Corporation
Columbia, Missouri

We have audited, in accordance with the 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 Mid-Missouri Legal Services Corporation as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents, and have issued our report thereon dated .

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-Missouri Legal Services Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Missouri Legal Services Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-Missouri Legal Services Corporation'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

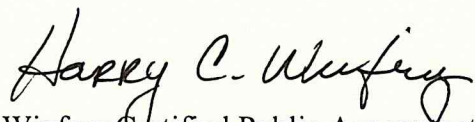
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mid-Missouri Legal Services Corporation'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Winfrey Certified Public Accountants, LLC
Columbia, Missouri
April 16, 2021



infrey Certified Public Accountants, LLC

Harry C. Winfrey, C.P.A.
Jane E. Rasmussen, C.P.A.
Luanne Yarnell, Accountant

Member of
American Institute of C.P.A.s
Missouri Society of C.P.A.s

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Mid-Missouri Legal Services Corporation
Columbia, Missouri

Report on Compliance for Each Major Federal Program

We have audited Mid-Missouri Legal Services Corporation's compliance with the types of compliance requirements described in the *Compliance Supplement for Audits of LSC Recipients* that could have a direct and material effect on Mid-Missouri Legal Services Corporation's major federal program for the year ended December 31, 2020. Mid-Missouri Legal Services Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Mid-Missouri Legal Services Corporation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mid-Missouri Legal Services Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Mid-Missouri Legal Services Corporation's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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



Winfrey Certified Public Accountants, LLC
Columbia, Missouri
April 16, 2021

Mid-Missouri Legal Services Corporation
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures:
Legal Services Corporation			
Legal Services Corporation Basic Field Grant	09.526041		\$ 490,771
Legal Services Corporation Telework Capacity Building			10,695
Legal Services Corporation Basic Field Grant COVID-19			45,319
U.S. Department of Justice			
Crime Victim Assistance (VOCA)	16.575		104,743
U.S. Department of Health and Human Services			
Passed through the Missouri Department of Social Services:			
Family Violence Prevention Services	93.671	PG941900038	18,285
Family Violence Prevention Services - Temporary Assistance for Needy Families	93.558	PG941900038	23,347
Total Federal Expenditures:			<u>\$ 693,160</u>

Basis of Presentation:

The schedule of expenditures of federal awards includes only the current year grant activity of the Mid-Missouri Legal Services Corporation. The entity does not use the 10% de minimis method for allocating indirect costs. Indirect costs are allocated according to 45 CFR 1630.3(g) which usually results in more than 10%. This information is presented in accordance with the requirements of 2 *CFR section 200.502 of the Uniform Guidance*. The information in this schedule is presented on the accrual basis of accounting. Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in preparation of, the basic financial statements, although such differences are not material.

Mid-Missouri Legal Services Corporation
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section I : Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Corporation.
2. No material weaknesses were identified relating to the audit of the financial statements as reported in the "Independent Auditor's 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."
3. No instances of noncompliance material to the financial statements of the Corporation were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by Uniform Guidance."
5. The auditor's report on compliance for the major federal award program for the Corporation expresses an unmodified opinion.
6. No audit findings relative to the major federal award program for the Corporation are reported in Section III of this Schedule.
7. The program tested as a major program was:

	Federal CFDA Number
Legal Services Corporation Basic Field Grant	09.526041

8. The dollar threshold used to distinguish between Type A and B programs, as described in the Section 200.518 and 200.519 of the Uniform Guidance, was \$750,000.
9. Using the criteria as defined in Section 200.520 for the Uniform Guidance, the Corporation does not qualify as a low-risk auditee for the year ended December 31, 2020.

Mid-Missouri Legal Services Corporation
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Section II : Findings – Financial Statement Audit

There are no financial statement findings that are required to be reported for the year ended December 31, 2020

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

There are no findings of questioned costs related to the major federal award program audit that are required to be reported for the year ended December 31, 2020.