

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019 AND 2018

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Atlanta Volunteer Lawyers Foundation, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Atlanta Volunteer Lawyers Foundation, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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. 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 Atlanta Volunteer Lawyers Foundation, Inc. as of December 31, 2019 and 2018, 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 Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of State Awards Expended on page 18 is 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Brooks, McMinis & Company, LLC

Atlanta, Georgia
August 13, 2020

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,056,910	\$ 1,009,332
Contributions and grants receivable, net	328,705	748,518
Prepaid expenses	27,844	22,668
Total current assets	2,413,459	1,780,518
Cash restricted for deferred compensation	60,062	20,033
Property and equipment, net	54,415	37,863
Lease deposit	2,366	2,366
Total assets	\$ 2,530,302	\$ 1,840,780
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 17,873	\$ 22,379
Accrued expenses	88,704	69,765
Deferred revenue	110,411	121,402
Total current liabilities	216,988	213,546
Deferred lease liability	87,075	86,587
Deferred compensation	80,000	20,000
Escrow liability	34	34
Total liabilities	384,097	320,167
Commitments and contingencies		
Net assets:		
Without donor restrictions	1,052,431	143,441
With donor restrictions	1,093,774	1,377,172
Total net assets	2,146,205	1,520,613
Total liabilities and net assets	\$ 2,530,302	\$ 1,840,780

The accompanying notes are an integral part of these financial statements.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Changes in net assets without donor restrictions:		
Revenues and support:		
Grants and contributions	\$ 3,350,235	\$ 1,826,121
In-kind donations	36,859	15,899
Fundraising events, net of direct expenses of \$127,824 and \$117,472	42,916	89,992
Court receipts	216,325	197,056
Program service revenue	32,848	4,258
Investment income	3,654	3,172
Other income	13,784	408
	3,696,621	2,136,906
Net assets released from restrictions	1,308,148	1,301,800
Total revenues and support without donor restrictions	5,004,769	3,438,706
Expenses:		
Program	3,266,600	2,344,426
General and administrative	442,295	548,590
Fundraising	386,884	422,843
Total expenses	4,095,779	3,315,859
Increase in net assets without donor restrictions	908,990	122,847
Changes in net assets donor restrictions:		
Grants and contributions	1,024,750	1,303,000
Net assets released from restrictions	(1,308,148)	(1,301,800)
Increase (decrease) in net assets with donor restrictions	(283,398)	1,200
Increase in net assets	625,592	124,047
Net assets at beginning of year	1,520,613	1,396,566
Net assets at end of year	\$ 2,146,205	\$ 1,520,613

The accompanying notes are an integral part of these financial statements.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 2,319,456	\$ 257,717	\$ 286,353	\$ 2,863,526
Outsourced services and labor	183,809	124,518	43,998	352,325
Client assistance	236,979	-	-	236,979
Case expenses	75,732	-	-	75,732
Client outreach and awareness	36,209	-	-	36,209
Other program expenses	22,309	130	9	22,448
Rent	92,577	10,286	11,429	114,292
Office expenses	82,788	13,636	974	97,398
Computer hardware & software	53,587	8,827	630	63,044
Small furniture and equipment	16,996	2,799	200	19,995
Marketing and promotion	-	-	16,077	16,077
Development and communications	-	7,158	7,159	14,317
Telecommunications	38,612	4,290	4,767	47,669
Employee development	22,581	2,509	2,788	27,878
Meetings and travel	21,284	2,698	5,995	29,977
Parking and transportation	40,536	4,504	5,004	50,044
Postage and delivery	3,811	628	45	4,484
Printing and copying	8,343	1,374	98	9,815
Depreciation expense	10,991	1,221	1,358	13,570
Total expenses	<u>\$ 3,266,600</u>	<u>\$ 442,295</u>	<u>\$ 386,884</u>	<u>\$ 4,095,779</u>
Percentage of total expenses	80%	11%	9%	100%

The accompanying notes are an integral part of these financial statements.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 1,773,372	\$ 399,634	\$ 324,702	\$ 2,497,708
Outsourced services and labor	53,135	76,870	24,389	154,394
Client assistance	103,361	-	-	103,361
Case expenses	72,788	-	-	72,788
Client outreach and awareness	25,933	-	-	25,933
Other program expenses	7,170	-	-	7,170
Rent	68,856	15,517	12,607	96,980
Office expenses	64,968	10,701	765	76,434
Computer hardware & software	57,268	9,432	674	67,374
Small furniture and equipment	26,368	4,343	310	31,021
Marketing and promotion	-	-	30,170	30,170
Development and communications	-	13,232	13,232	26,464
Telecommunications	17,910	4,036	3,279	25,225
Employee development	7,301	1,645	1,337	10,283
Meetings and travel	10,766	1,365	3,033	15,164
Parking and transportation	30,701	6,919	5,621	43,241
Postage and delivery	5,555	915	65	6,535
Printing and copying	4,759	784	56	5,599
Depreciation expense	9,157	2,064	1,677	12,898
Income tax expense	5,058	1,133	926	7,117
Total expenses	<u>\$ 2,344,426</u>	<u>\$ 548,590</u>	<u>\$ 422,843</u>	<u>\$ 3,315,859</u>
Percentage of total expenses	71%	16%	13%	100%

The accompanying notes are an integral part of these financial statements.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase in net assets	\$ <u>625,592</u>	\$ <u>124,047</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	13,570	12,898
Realized gain on sale of stock	(2,638)	(3,920)
(Increase) decrease in operating assets:		
Grants and contributions receivable	419,813	(99,560)
Prepaid expenses	(5,176)	(5,407)
(Decrease) increase in operating liabilities		
Accounts payable	(4,506)	(7,377)
Accrued expenses	18,939	(58,555)
Deferred compensation liability	60,000	-
Deferred revenue	(10,991)	(7,677)
Deferred lease liability	488	2,175
Escrow liability	-	(2,848)
Net cash provided by (used in) operating activities	<u>1,115,091</u>	<u>(46,224)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(30,122)	-
Proceeds from sale of investments	<u>2,638</u>	<u>33,489</u>
Net cash provided by (used in) investing activities	<u>(27,484)</u>	<u>33,489</u>
Net increase (decrease) in cash and cash equivalents	1,087,607	(12,735)
Cash and cash equivalents, beginning of year	<u>1,029,365</u>	<u>1,042,100</u>
Cash and cash equivalents, end of year	<u>\$ <u>2,116,972</u></u>	<u>\$ <u>1,029,365</u></u>

The accompanying notes are an integral part of these financial statements.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies

Organization

Atlanta Volunteer Lawyers Foundation, Inc. (AVLF) is a non-profit corporation organized in 1979 to benefit the citizens of the metropolitan area of Fulton County, Georgia. AVLF promotes the administration of justice by developing, operating and administering programs for the provision of free civil legal services by private attorneys to low-income persons.

Basis of Accounting

AVLF's accounts are maintained, and these statements are presented, on the accrual basis of accounting to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, net assets of AVLF and changes therein are classified and reported as follows:

Net assets without donor restrictions – net assets not subject to donor imposed-restrictions

Net assets with donor restrictions – net assets subject to donor-imposed stipulations that may or will be met either by actions of AVLF and/or the passage of time

Revenue Recognition

AVLF receives support from Fulton County, Georgia, by state legislative action and court order. The amount received is based on a designated portion of filing fees collected by the State and Magistrate Courts of Fulton County. It is paid to AVLF monthly and recognized as revenue when received.

Fundraising events revenue is recognized in the period in which the event is held.

Grants and contributions (including unconditional promises to give; i.e. pledges or private grants) are recognized as revenue in the year they are received or pledged, with allowances provided for pledges estimated to be uncollectible. Unconditional pledges or private grants that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges or private grants that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those promised amounts are computed using risk-free interest rates applicable to the years in which they are received. Amortization of the discounts (if any) is included in contributions in the accompanying statement of activities and changes in net assets. Conditional pledges or private grants are not included as support until the conditions are substantially met. Donor contributions restricted for capital expenditures are released to net assets without donor restrictions when the assets are placed into service.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Revenue Recognition – Continued

AVLF recognizes grants and contributions as restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor-imposed restriction is met, or the passage of time expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and presented in the accompanying statement of activities and changes in net assets as net assets released from restrictions.

AVLF records gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, as well as gifts of cash or other assets that must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, AVLF reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Accordingly, AVLF reports gifts of cash and other assets as support with donor restrictions 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 statements of activities as net assets released from restrictions.

Grants and contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management represents that the AVLF has complied with any such conditions related to revenue recognized. Although the return of funds is a possibility, management deems the contingency unlikely.

Cash and Cash Equivalents

For financial statement purposes, AVLF considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Cash equivalents and short-term investments are stated at cost, which approximates market value. AVLF's bank accounts, as reflected in the banks' records, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2019 and 2018, AVLF's cash balances exceeded the FDIC limit by \$1,567,150 and \$427,980, respectively. Based on the strength of the financial institutions, management believes the credit risk related to this balance is not significant.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Cash and Cash Equivalents – Continued

Cash consisted of the following at December 31:

	2019	2018
Cash without donor restrictions	\$ 2,056,910	\$ 1,009,332
Cash and cash equivalents	2,056,910	1,009,332
Cash restricted for deferred compensation	60,062	20,033
Cash and cash equivalents, for purposes of the statement of cash flows	\$ 2,116,972	\$ 1,029,365

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. The basis of property and equipment is depreciated using the straight-line method over the estimated useful lives of the related assets ranging from three to ten years. AVLF capitalizes expenditures for property and equipment in excess of \$1,500.

Contributed Services

A significant portion of the services within the programs that AVLF coordinates are provided without charge by volunteer attorneys and others in the legal community. Members of the Board of Directors also contribute uncompensated services to assist AVLF in fundraising activities. No amounts have been reflected in the financial statements for those services because they do not meet the criteria for recognition under generally accepted accounting principles.

Land held for sale, other assets and marketable equity securities acquired by gift are recorded at fair market value on the date of receipt. Contributed legal services are reflected in the financial statements at the fair value of the services received. In accordance with GAAP, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Accordingly, contributed legal services of \$36,859 and \$15,899 were recognized during the years ended December 31, 2019 and 2018.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel, outsourced services and labor, rent, office expenses, computer hardware and software, small furniture and equipment, telecommunications, employee development, meetings and travel, parking and transportation, postage and delivery, printing and copying, depreciation and income taxes are allocated on the basis of estimates of time and effort.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

AVLF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, AVLF is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. Due to the Tax Cuts and Jobs Act, AVLF was subject to tax on parking fringe benefits provided to its employees for the year ended 2018. Management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. AVLF's income tax returns are subject to examination by the appropriate regulatory authorities for all open years, which include the last three years filed. Unrelated income tax expense of approximately \$7,100 has been accrued in these financial statements for the year ended December 31, 2018. In 2019, the tax on parking fringe benefits was repealed by congressional legislation, so a refund of these taxes will be received in 2020.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2019 and 2018 totaled \$16,077 and \$30,170, respectively.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Nature of Organization and Significant Accounting Policies – Continued

New Accounting Policies

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers. Subsequent to issuance of ASU 2014-09, FASB issued additional related ASU's to provide additional clarification of ASU 2014-09. ASU 2014-09 amends the FASB Codification (ASC) by creating Topic 606, Revenue from Contracts with Customers, and Subtopic 340-40, Other Assets and Deferred Costs – Contracts with Customers. The new revenue recognition standard eliminates the transaction- and industry-specific revenue recognition guidance under current GAAP and replaces it with a principle-based approach for determining revenue recognition. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This pronouncement requires retrospective application.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This new standard clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The guidance in this update should be applied on a modified prospective basis. Retrospective application is permitted.

AVLF adopted these accounting policies for the year ended December 31, 2019. These new accounting policies did not affect total net assets for either years ended December 31, 2019 or 2018.

2. Liquidity and Availability of Financial Assets

AVLF is substantially supported by grants and contributions without donor restrictions. However, a material amount of grants and contributions with donor restrictions are received each year for various programs. As a donor's restrictions require funds to be used in a particular manner or in a future period, AVLF maintains those restricted funds so that they are available to meet those responsibilities as they are required to be met. AVLF considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Liquidity and Availability of Financial Assets – Continued

General expenditures may be incurred for program, fundraising, or administrative purposes. AVLF's financial assets at December 31, 2019 and 2018 (reduced by amounts that are not available for general use because of contractual, donor-imposed, or internal restrictions) available within one year after this date to satisfy liabilities at this date and for future general expenditure are as follows:

	2019	2018
Cash and cash equivalents	\$ 2,056,910	\$ 1,009,332
Contributions and grants receivable, net	328,705	748,518
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,385,615	\$ 1,757,850

For the years ended December 31, 2019 and 2018, restricted contributions of \$1,093,774 and \$1,377,172, respectively, were included in financial assets available to meet cash needs for expenditures within one year. AVLF structures its financial assets to be available as its general expenditure, liabilities, and other obligations become due. In addition to financial assets available to meet general expenditures over the next twelve months, AVLF operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

3. Contributions and Grants Receivable, net

Contributions and grants receivable totaled \$331,510 and \$751,323 at December 31, 2019 and 2018, respectively, and consisted of pledges collectible in less than one year with an allowance for doubtful accounts of \$2,805 at December 31, 2019 and 2018.

4. Property and Equipment, Net

Property and equipment at December 31, consist of the following:

	2019	2018
Office furniture and equipment	\$ 49,919	\$ 49,919
Software	47,547	47,547
Computers	42,063	42,063
Leasehold improvements	30,122	-
	169,651	139,529
Less accumulated depreciation	(115,236)	(101,666)
Total property and equipment, net	\$ 54,415	\$ 37,863

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

4. Property and Equipment, Net – Continued

Depreciation expense for the years ended December 31, 2019 and 2018 totaled \$13,570 and \$12,898, respectively.

5. Deferred Revenues

For the years ended December 31, 2019 and 2018, deferred revenue consists of grant funds received prior to satisfying the related conditions and funds received for the next year's fundraising events. AVL F is required to disclose information about remaining performance obligations that have original expected durations of one year or less.

	2019	2018
Deferred revenues, beginning of year	\$ 121,402	\$ 129,079
Revenue recognized during year	(121,402)	(129,079)
Cash received in advance of performance	110,411	121,402
Deferred revenues, end of year	\$ 110,411	\$ 121,402

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are comprised of funds AVL F has received subject to donor-imposed restrictions consisting of the following at December 31:

	2019	2018
Purpose restricted:		
Standing with Our Neighbors	\$ 1,052,077	\$ 1,286,052
Program admin	41,697	35,800
	1,093,774	1,321,852
Time restricted	-	55,320
Total net assets with donor restrictions	\$ 1,093,774	\$ 1,377,172

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

7. Net Assets Released from Restrictions

The following net assets were released from donor restriction during the years ended December 31, 2019 and 2018, by incurring expenditures satisfying the restricted purpose or by occurrence of other events specified by donors:

	2019	2018
Purpose restricted:		
Standing with Our Neighbors	\$ 1,034,226	\$ 1,261,669
Program admin	218,603	14,200
	1,252,829	1,275,869
Time restricted	55,320	25,931
Total net assets released from restriction	\$ 1,308,149	\$ 1,301,800

8. Operating Leases

AVLF leases office space and equipment under non-cancelable operating leases. The future minimum payments required under these operating leases are as follows:

For the year ended December 31:	
2020	\$ 139,629
2021	138,069
2022	141,178
2023	145,434
2024	149,827
Thereafter	340,200
	\$ 1,054,337

Rent expense for the years ended December 31, 2019 and 2018 was \$127,365 and \$111,081, respectively.

9. Retirement Plan

AVLF has a defined contribution retirement plan with profit sharing and deferred salary components. The plan covers all full-time employees meeting the minimum age and service requirements. AVLF may, but is not required to, fund profit sharing contributions up to the statutory maximums established by ERISA. For the years ended December 31, 2019 and 2018, the contributions totaled \$73,242 and \$92,104, respectively.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. Deferred Compensation

AVLF established a deferred compensation plan under Internal Revenue Code Section 457(b) for a key employee. In accordance with the plan, AVLF contributes a fixed amount annually to the plan on behalf of the employee, beginning January 2017 through January 2021. All amounts contributed to the plan are owned by AVLF until distributed to the employee. AVLF contributed \$20,000 to the plan for the years ended 2019 and 2018, which is recorded as cash and deferred compensation liability in the accompanying statement of financial position at December 31, 2019 and 2018.

11. Line of Credit

In February 2018, AVLF entered into a revolving line of credit agreement with a financial institution, under which a maximum of \$500,000 may be borrowed. The line of credit bears interest at 1% over the prime rate and requires monthly payments of interest. There were no outstanding borrowings under this line of credit at December 31, 2019 and 2018. The line of credit matured in February 2020 and was not renewed.

12. Subsequent Events

Management has evaluated events and transactions which occurred through August 13, 2020, which is the date the financial statements were available to be issued. Other than the subsequent event reported below, there are no additional subsequent events requiring recognition or disclosure in the financial statements.

Subsequent to December 31, 2019, the global COVID-19 pandemic threatened to deeply harm global growth. This has affected the U.S. and global equity markets, as well as consumer confidence, and the broad U.S. and global stock markets have experienced extreme volatility since December 31, 2019. It is uncertain how this downturn in the financial markets and consumer confidence may affect the operations, investments, funding, and contribution income of nonprofit organizations in the near future. AVLF depends heavily on contributions to support its operations. The ability of contributors to continue giving may be dependent on current and future overall economic conditions. While AVLF believes it has the resources to continue its programs, its ability to do so, and the extent to which it continues, is dependent on many interdependent factors.

To assist with operational cash flow during the pandemic, AVLF has been granted a forgivable loan from the United States Small Business Administration's Paycheck Protection Program (PPP) on May 7, 2020. The total proceeds received from this loan was approximately \$550,000. Management expects to spend the loan proceeds on eligible amounts qualifying for loan forgiveness, but any portion not forgiven would be payable over a two (2) year period at an interest rate of 1%.

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
OTHER INFORMATION AS REQUIRED
BY THE STATE OF GEORGIA

ATLANTA VOLUNTEER LAWYERS FOUNDATION, INC.
SCHEDULE OF STATE AWARDS EXPENDED
DECEMBER 31, 2019

<u>State Contract Number</u>	<u>Earned Revenues</u>	<u>Receipts</u>	<u>Due From State Agency</u>
Contract # VAWA-001B Criminal Justice Coordinating Council	\$ 86,165	\$ -	\$ 86,165
Contract # VOCA-003A Criminal Justice Coordinating Council	252,603	252,603	-
Contract # VOCA-002B Criminal Justice Coordinating Council	120,137	120,137	-
Contract # VOCA-001C Criminal Justice Coordinating Council	101,251	101,251	-
Contract # VOCA-CMBO Criminal Justice Coordinating Council	65,585	-	65,585
Contract # VOCA-003B Criminal Justice Coordinating Council	69,235	-	69,235
Contract # VLAN-001 Criminal Justice Coordinating Council	948	948	-
Contract # FVPSA-001A Criminal Justice Coordinating Council	34,516	34,516	-
Contract # FVPSA-001B Criminal Justice Coordinating Council	9,025	-	9,025
	<u>\$ 739,465</u>	<u>\$ 509,455</u>	<u>\$ 230,010</u>