

FINANCIAL STATEMENTS

DC VOLUNTEER LAWYERS PROJECT

**FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2023**

DC VOLUNTEER LAWYERS PROJECT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
D.C. Volunteer Lawyers Project
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the D.C. Volunteer Lawyers Project (DCVLP), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DCVLP as of December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 DCVLP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the 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 DCVLP'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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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, including omissions, 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.

In performing an audit in accordance with generally accepted auditing standards and, 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 DCVLP'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 DCVLP'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 identified during the audit.

Report on Summarized Comparative Information

We have previously audited DCVLP's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of DCVLP'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 solely 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 the effectiveness of DCVLP's 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 DCVLP's internal control over financial reporting and compliance.



March 25, 2025

DC VOLUNTEER LAWYERS PROJECT
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

ASSETS		
	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,584,986	\$ 2,319,755
Investments	-	7,371
Grants receivable	768,350	595,156
Prepaid expenses	<u>31,346</u>	<u>28,611</u>
Total current assets	<u>3,384,682</u>	<u>2,950,893</u>
OTHER ASSETS		
Right-of-use asset, net	<u>297,930</u>	<u>102,202</u>
TOTAL ASSETS	<u>\$ 3,682,612</u>	<u>\$ 3,053,095</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,681	\$ 15,672
Accrued salaries and related benefits	163,412	135,018
Lease liability	<u>180,427</u>	<u>104,615</u>
Total current liabilities	<u>358,520</u>	<u>255,305</u>
LONG-TERM LIABILITIES		
Lease liability, net of current portion	<u>115,987</u>	<u>-</u>
Total liabilities	<u>474,507</u>	<u>255,305</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	1,215,777	1,030,226
Board designated	<u>1,241,000</u>	<u>1,096,250</u>
Total without donor restrictions	2,456,777	2,126,476
With donor restrictions	<u>751,328</u>	<u>671,314</u>
Total net assets	<u>3,208,105</u>	<u>2,797,790</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,682,612</u>	<u>\$ 3,053,095</u>

DC VOLUNTEER LAWYERS PROJECT

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributed nonfinancial assets	\$ 13,715,824	\$ -	\$ 13,715,824	\$ 17,907,844
Government grants	2,366,479	-	2,366,479	1,263,036
Foundation grants	1,064,922	641,727	1,706,649	1,844,051
Contributions	549,238	-	549,238	430,443
Other income	71,753	-	71,753	33,869
Net assets released from donor restrictions	<u>561,713</u>	<u>(561,713)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>18,329,929</u>	<u>80,014</u>	<u>18,409,943</u>	<u>21,479,243</u>
EXPENSES				
Program Services	<u>17,271,295</u>	<u>-</u>	<u>17,271,295</u>	<u>20,768,889</u>
Supporting Services:				
Management and General	312,653	-	312,653	224,152
Fundraising	<u>415,680</u>	<u>-</u>	<u>415,680</u>	<u>321,730</u>
Total supporting services	<u>728,333</u>	<u>-</u>	<u>728,333</u>	<u>545,882</u>
Total expenses	<u>17,999,628</u>	<u>-</u>	<u>17,999,628</u>	<u>21,314,771</u>
Change in net assets	330,301	80,014	410,315	164,472
Net assets at beginning of year	<u>2,126,476</u>	<u>671,314</u>	<u>2,797,790</u>	<u>2,633,318</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,456,777</u>	<u>\$ 751,328</u>	<u>\$ 3,208,105</u>	<u>\$ 2,797,790</u>

D.C. VOLUNTEER LAWYERS PROJECT

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024				2023	
	Supporting Services					
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and related expenses	\$ 3,165,817	\$ 229,883	\$ 265,647	\$ 495,530	\$ 3,661,347	\$ 2,899,634
Contributed services and materials	13,715,824	-	-	-	13,715,824	17,907,844
Facilities and equipment expenses	175,023	2,152	2,645	4,797	179,820	175,887
Other expenses	62,433	703	104,728	105,431	167,864	96,777
Professional fees	-	77,022	6,000	83,022	83,022	67,175
Direct program expense	69,777	-	7,987	7,987	77,764	64,840
Administrative expenses	43,532	2,543	28,218	30,761	74,293	68,271
Insurance	34,952	350	430	780	35,732	31,338
Travel and meetings	3,937	-	25	25	3,962	3,005
TOTAL	\$ 17,271,295	\$ 312,653	\$ 415,680	\$ 728,333	\$ 17,999,628	\$ 21,314,771

See accompanying notes to financial statements.

DC VOLUNTEER LAWYERS PROJECT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 410,315	\$ 164,472
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Receipt of donated securities	-	(47,637)
Proceeds from donated securities	7,345	39,073
Realized loss on sale of donated securities	26	1,085
Unrealized loss	-	108
Amortization of right-of-use asset	174,726	173,130
(Increase) in:		
Grants receivable	(173,194)	(31,784)
Prepaid expenses	(2,735)	(6,905)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(991)	456
Accrued salaries and related benefits	28,394	118,553
Lease liability	<u>(178,655)</u>	<u>(177,269)</u>
Net cash provided by operating activities	<u>265,231</u>	<u>233,282</u>
Net increase in cash and cash equivalents	265,231	233,282
Cash and cash equivalents at beginning of year	<u>2,319,755</u>	<u>2,086,473</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,584,986</u>	<u>\$ 2,319,755</u>
SUPPLEMENTAL INFORMATION:		
Right-of-Use Asset	<u>\$ 370,454</u>	<u>\$ -</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ 370,454</u>	<u>\$ -</u>

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The D.C. Volunteer Lawyers Project (DCVLP) is a non-profit organization whose mission is to provide high-quality, free legal and support services to low-income victims of domestic violence, at-risk children, and other vulnerable individuals in the D.C. metro area. Founded in 2008, DCVLP broadens their impact by training and supporting hundreds of attorneys to provide pro bono representation to indigent and vulnerable individuals. DCVLP provides volunteer attorneys with necessary resources including training, supervision, active mentoring, office and meeting space, and malpractice insurance. The attorneys of the organization provide pro bono legal representation to individuals such as survivors of domestic violence, children in high-conflict custody cases, and survivors of gender-based violence in immigration matters. DCVLP receives funding from individuals, corporations, foundations, and Government grants.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with DCVLP's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Cash and cash equivalents -

DCVLP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, DCVLP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in other income, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. DCVLP's policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants receivable -

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts has not been established.

Income taxes -

DCVLP is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. DCVLP is not a private foundation.

Contributions and grants -

DCVLP receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. DCVLP performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional.

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributions and grants (continued) -

Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, DCVLP had no refundable advances as of December 31, 2024.

In addition, DCVLP has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. DCVLP's unrecognized conditional contributions to be received in future years totaled approximately \$1,674,000 as of December 31, 2024.

Contributed nonfinancial assets -

Contributed nonfinancial assets consists of legal representation provided by volunteer attorneys to the clients of the organization and consulting services. Contributed nonfinancial assets are recorded at their fair market value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by DCVLP. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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 and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of DCVLP are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

2. BOARD DESIGNATED NET ASSETS

DCVLP's net assets without donor restrictions include certain amounts that have been designated by the Board of Directors.

Board designated net assets included the following as of December 31, 2024:

Operating Reserve	<u>\$ 1,241,000</u>
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DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31, 2024:

Subject to expenditure for specified purpose:	
Domestic Violence Program	\$ 364,555
Immigration Program	131,495
Child Advocacy Program	19,444
Subject to passage of time	<u>235,834</u>
TOTAL NET ASSETS WITH RESTRICTIONS	<u>\$ 751,328</u>

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2024:

Domestic Violence Program	\$ 153,979
Child Advocacy Program	33,333
Immigration Program	162,317
Passage of Time	<u>212,084</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 561,713</u>

4. LIQUIDITY

As part of DCVLP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board designates a portion of any operating surplus to its liquidity reserve, which was \$1,241,000 as of December 31, 2024. The fund may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of December 31, 2024:

Cash and cash equivalents	\$ 2,584,986
Grants receivable	<u>768,350</u>
Financial assets, at year-end	3,353,336
Less funds unavailable for general expenditures within one year, due to:	
Restricted by timing or donor purpose restrictions	(751,328)
Board designations:	
Amounts set aside for liquidity reserve	<u>(1,241,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 1,361,008</u>

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

5. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended December 31, 2024, DCVLP was the beneficiary of professional services which allowed DCVLP to provide greater resources toward various programs. Contributed nonfinancial assets consist of donated legal services, which are valued at \$375 per hour per the Laffey Matrix, which is the primary tool for assessing legal fees in the Washington-Baltimore area. All volunteer attorneys submit their pro bono hours on a quarterly basis. If necessary, DCVLP estimates the hours donated utilizing information in the case management database and a formula based on calculations from multiple years of experience.

For volunteer attorneys who staff DCVLP clinics, DCVLP tallies the hours donated based on scheduling information stored in the case management database. There were no donor imposed restrictions associated with the contributed services during the year ended December 31, 2024.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended December 31, 2024:

Pro-Bono Legal and Consulting Services	<u>\$ 13,715,824</u>
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6. LEASE COMMITMENTS

DCVLP follows FASB ASC 842 for leases. DCVLP has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. DCVLP has also elected to use a risk-free rate as the lease discount rate for its lease as allowed under FASB ASC 842.

Operating Leases:

DCVLP leases office space in Washington, D.C. that was set to expire in July 2024. In March 2024, the lease was extended for a two year period, through July 2026. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. The discount rate used is 1.47%.

For the year ended December 31, 2024, total lease cost was \$179,820 and total cash paid was \$183,750 for the operating lease. The lease cost is included in facilities and equipment expenses in the accompanying Statement of Functional Expenses.

Year Ending December 31,

2025	\$ 189,000
2026	<u>110,250</u>
	299,250
Less: Imputed interest	<u>(2,836)</u>
	296,414
Less: Current portion	<u>(180,427)</u>
LONG-TERM PORTION	<u>\$ 115,987</u>

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

7. RETIREMENT PLAN

DCVLP provides retirement benefits to eligible employees through a defined contribution plan. Full and part-time employees who are 21 years-of-age and older are eligible to participate. Eligible employees may contribute to the retirement plan immediately upon hire. Employer contributions to the retirement program, if any, are reviewed and determined annually by DCVLP Board of Directors. For the year ended December 31, 2024, DCVLP made contributions to the Plan totaling \$95,664 and are included in salaries and related expenses in the accompanying Statement of Functional Expenses.

8. COMMITMENTS

DCVLP is committed under an agreement for event space to hold their Annual Benefit for the fiscal year ending December 31, 2025. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreement were cancelled prior to the event date. The amount of the cancellation penalties increase as the date of the event gets closer.

9. CONTINGENCY

DCVLP receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions 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)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2024. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

10. SUBSEQUENT EVENTS

In preparing these financial statements, DCVLP has evaluated events and transactions for potential recognition or disclosure through March 25, 2025, the date the financial statements were issued.

After year-end, a series of Presidential Executive Orders affected numerous Federal assistance awards. While management does not expect any immediate impact on its programs or funding sources, the long-term implications of these orders remain uncertain. These financial statements do not include any adjustments related to this subsequent event.