

FINANCIAL STATEMENTS

DC VOLUNTEER LAWYERS PROJECT

**FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021**

DC VOLUNTEER LAWYERS PROJECT

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the DC Volunteer Lawyers Project (DCVLP), which comprise the statement of financial position as of December 31, 2022, 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, 2022, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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 23, 2023, 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 23, 2023

DC VOLUNTEER LAWYERS PROJECT
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS		<u>2022</u>	<u>2021</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	2,086,473	\$ 1,455,601
Grants receivable		563,372	412,462
Prepaid expenses		<u>21,706</u>	<u>36,346</u>
Total current assets		<u>2,671,551</u>	<u>1,904,409</u>
OTHER ASSETS			
Right-of-use asset, net		<u>275,332</u>	<u>-</u>
TOTAL ASSETS	\$	<u>2,946,883</u>	\$ <u>1,904,409</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	15,216	\$ 6,606
Accrued salaries and related benefits		16,465	4,846
Lease liability		<u>177,268</u>	<u>-</u>
Total current liabilities		<u>208,949</u>	<u>11,452</u>
LONG-TERM LIABILITIES			
Lease liability, net of current portion		<u>104,616</u>	<u>-</u>
Total liabilities		<u>313,565</u>	<u>11,452</u>
NET ASSETS			
Without donor restrictions:			
Undesignated		943,124	945,480
Board designated		<u>850,000</u>	<u>450,000</u>
Total without donor restrictions		1,793,124	1,395,480
With donor restrictions		<u>840,194</u>	<u>497,477</u>
Total net assets		<u>2,633,318</u>	<u>1,892,957</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>2,946,883</u>	\$ <u>1,904,409</u>

See accompanying notes to financial statements.

DC VOLUNTEER LAWYERS PROJECT

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributed services	\$ 17,922,510	\$ -	\$ 17,922,510	\$ 13,195,596
Foundation grants	538,882	1,360,844	1,899,726	1,321,863
Government grants	1,076,647	-	1,076,647	612,827
Contributions	495,611	-	495,611	410,341
Interest and other income	2,104	-	2,104	3,127
Net assets released from donor restrictions	<u>1,018,127</u>	<u>(1,018,127)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>21,053,881</u>	<u>342,717</u>	<u>21,396,598</u>	<u>15,543,754</u>
EXPENSES				
Program Services	<u>20,130,089</u>	<u>-</u>	<u>20,130,089</u>	<u>14,768,000</u>
Supporting Services:				
Management and General	209,053	-	209,053	160,221
Fundraising	<u>317,095</u>	<u>-</u>	<u>317,095</u>	<u>145,822</u>
Total supporting services	<u>526,148</u>	<u>-</u>	<u>526,148</u>	<u>306,043</u>
Total expenses	<u>20,656,237</u>	<u>-</u>	<u>20,656,237</u>	<u>15,074,043</u>
Change in net assets before other item	397,644	342,717	740,361	469,711
OTHER ITEM				
Extinguishment of debt including interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,271</u>
Change in net assets after other item	397,644	342,717	740,361	932,982
Net assets at beginning of year	<u>1,395,480</u>	<u>497,477</u>	<u>1,892,957</u>	<u>959,975</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,793,124</u>	<u>\$ 840,194</u>	<u>\$ 2,633,318</u>	<u>\$ 1,892,957</u>

DC VOLUNTEER LAWYERS PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022			2021		
	Supporting Services			Total Expenses	Total Expenses	
	Program Services	Management and General	Fundraising			Total Supporting Services
Salaries and related expenses	\$ 1,890,886	\$ 145,342	\$ 196,080	\$ 341,422	\$ 2,232,308	\$ 1,466,311
Contributed services and materials	17,922,510	-	-	-	17,922,510	13,195,596
Facilities and equipment expenses	161,682	8,662	2,988	11,650	173,332	156,480
Other expenses	55,414	356	97,130	97,486	152,900	89,164
Professional fees	2,224	51,468	-	51,468	53,692	54,794
Administrative expenses	33,662	1,753	18,320	20,073	53,735	61,559
Direct program expense	38,892	1,141	2,064	3,205	42,097	33,534
Insurance	24,451	322	456	778	25,229	16,565
Travel and meetings	368	9	57	66	434	40
TOTAL	\$ 20,130,089	\$ 209,053	\$ 317,095	\$ 526,148	\$ 20,656,237	\$ 15,074,043

DC VOLUNTEER LAWYERS PROJECT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 740,361	\$ 932,982
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Extinguishment of debt	-	(460,412)
Change in measurement of operating lease	6,552	-
(Increase) decrease in:		
Grants receivable	(150,910)	(210,157)
Prepaid expenses	14,640	(26,392)
Increase (decrease) in:		
Accounts payable and accrued liabilities	8,610	1,418
Accrued salaries and related benefits	<u>11,619</u>	<u>(24,276)</u>
Net cash provided by operating activities	<u>630,872</u>	<u>213,163</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>-</u>	<u>227,912</u>
Net cash provided by financing activities	<u>-</u>	<u>227,912</u>
Net increase in cash and cash equivalents	630,872	441,075
Cash and cash equivalents at beginning of year	<u>1,455,601</u>	<u>1,014,526</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,086,473</u>	<u>\$ 1,455,601</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS		
Extinguishment of Debt	<u>\$ -</u>	<u>\$ 460,412</u>
Right-of-Use Asset	<u>\$ 417,655</u>	<u>\$ -</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ 417,655</u>	<u>\$ -</u>

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The DC 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 DC 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 the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit 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** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions.

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, 2021, from which the summarized information was derived.

New accounting pronouncements adopted -

During 2022, DCVLP adopted ASU 2019-01, *Leases* (Topic 842), which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. **DCVLP** applied the new standard at the inception of a new lease that began in 2022 and also the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases.

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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

New accounting pronouncements adopted (continued) -

DCVLP also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. DCVLP adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. See note 6 for further details.

During the year ended December 31, 2022, DCVLP adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles in the United States (U.S. GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

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.

Grants receivable -

Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Income taxes -

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

Uncertain tax positions -

For the year ended December 31, 2022, DCVLP has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Contributions and grants -

DCVLP's receives revenue through contributions as well as grants from the U.S. Government, foundations, and other entities.

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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

Contributions and grants (continued) -

These awards are for various activities performed by DCVLP. Grants and contributions are recognized in the appropriate category of net assets in the period received. DCVLP performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions and grants qualifying as contributions that are unconditional and 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. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional.

DCVLP recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue unless they are from the United States Government which is then recorded as a refundable advance. For contributions and grants treated as contributions, DCVLP had approximately \$723,000 in unrecognized conditional awards as of December 31, 2022.

Contributed legal services -

Contributed legal services consists of legal representation provided by volunteer attorneys to the clients of the organization and accounting services. Contributed legal services are recorded at their fair market value as of the date of the gift.

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.

DC VOLUNTEER LAWYERS PROJECT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Functional allocation of expenses (continued) -

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.

New accounting pronouncement not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for DCVLP for the year ending December 31, 2023 but early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

DCVLP plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. **BOARD DESIGNATED NET ASSETS**

As of December 31, 2022, net assets have been designated by the Board of Directors for the following purposes:

Operating Reserve	\$ <u>850,000</u>
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3. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2022:

Subject to expenditure for specified purpose:	
Domestic Violence Program	\$ 435,420
Child Advocacy Program	127,778
Immigration Program	118,996
Subject to passage of time	<u>158,000</u>
TOTAL NET ASSETS WITH RESTRICTIONS	\$ <u>840,194</u>

The following net assets with restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Domestic Violence Program	\$ 382,263
Child Advocacy Program	211,639
Immigration Program	256,225
Passage of time	<u>168,000</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ <u>1,018,127</u>

DC VOLUNTEER LAWYERS PROJECT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

4. LIQUIDITY

Financial assets available for use within one year of the Statement of Financial Position comprise the following at December 31, 2022:

Cash and cash equivalents	\$ 2,086,473
Grants receivable	<u>563,372</u>
Financial assets, at year-end	2,649,845
Less funds unavailable for general expenditures within one year, due to:	
Restricted by timing or donor purpose restrictions	(840,194)
Board designations:	
Amounts set aside for liquidity reserve	<u>(850,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 959,651</u>

DCVLP is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, DCVLP must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

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 \$850,000 as of December 31, 2022. 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.

5. CONTRIBUTED SERVICES

During the year ended December 31, 2022, DCVLP was the beneficiary of professional services which allowed DCVLP to provide greater resources toward various programs. Donated legal services 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, the Domestic Violence Program Coordinator 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, the Domestic Violence Program Coordinator 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, 2022.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended December 31, 2022.

Pro-Bono Legal and Consulting Services	<u>\$ 17,922,510</u>
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6. LEASE COMMITMENTS

DCVLP leases office space under an agreement which originated in February 2013. On March 1, 2022, the lease was amended and extended through July 31, 2024, with a base rent of \$13,000 per month, plus a proportionate share of expenses, through July 31, 2022 and \$15,000 per month starting in August 2022.

DC VOLUNTEER LAWYERS PROJECT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

6. LEASE COMMITMENTS (Continued)

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. On March 1, 2022, DCVLP implemented the ASU. As a result, DCVLP recorded a right-of-use asset in the amount of \$417,655, and an operating lease liability in the amount of \$417,655 by calculating the present value using the discount rate of 1.47%.

The following is a schedule of the future minimum lease payments:

Year Ending December 31,

2023	\$ 180,000
2024	105,000
Less: imputed interest	<u>(3,116)</u>
	<u>\$ 281,884</u>

Rent expense for the year ended December 31, 2022 was \$173,332 and is included on the Statement of Functional Expenses in facilities and equipment expenses.

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, 2022, DCVLP made contributions to the Plan totaling \$57,680.

8. COMMITMENTS

DCVLP is committed under an agreement for event space to hold their Annual Benefit for the fiscal year ending December 31, 2023. 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

The 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 2022. 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.

DC VOLUNTEER LAWYERS PROJECT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

10. SUBSEQUENT EVENTS

In preparing these financial statements, DCVLP has evaluated events and transactions for potential recognition or disclosure through March 23, 2023, the date the financial statements were issued.