

**FINANCIAL STATEMENTS**

**D.C. VOLUNTEER LAWYERS PROJECT**

**FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2018**

# D.C. VOLUNTEER LAWYERS PROJECT

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## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT

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

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, 2019, 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.

#### **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 DCVLP as of December 31, 2019, 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.

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### **Report on Summarized Comparative Information**

We have previously audited DCVLP's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Friedman*

April 24, 2020

**D.C. VOLUNTEER LAWYERS PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 544,103	\$ 473,258
Grants receivable	286,486	496,485
Prepaid expenses	<u>12,656</u>	<u>15,189</u>
Total current assets	<u>843,245</u>	<u>984,932</u>
<b>FIXED ASSETS</b>		
Website	16,050	16,050
Less: Accumulated amortization	<u>(16,050)</u>	<u>(15,875)</u>
Total fixed assets	<u>-</u>	<u>175</u>
<b>OTHER ASSETS</b>		
Grants receivable, net of current portion	-	55,000
Deposits	<u>3,000</u>	<u>3,000</u>
Total other assets	<u>3,000</u>	<u>58,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 846,245</u></b>	<b><u>\$ 1,043,107</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 9,025	\$ 16,174
Accrued salaries and related benefits	<u>66,645</u>	<u>63,126</u>
Total current liabilities	<u>75,670</u>	<u>79,300</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	128,403	216,807
Board designated	<u>442,000</u>	<u>442,000</u>
Total without donor restrictions	570,403	658,807
With donor restrictions	<u>200,172</u>	<u>305,000</u>
Total net assets	<u>770,575</u>	<u>963,807</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 846,245</u></b>	<b><u>\$ 1,043,107</u></b>

## D.C. VOLUNTEER LAWYERS PROJECT

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>2019</u>			<u>2018</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 343,390	\$ -	\$ 343,390	\$ 519,706
Foundation grants	480,400	187,500	667,900	881,698
Government grants	510,765	-	510,765	451,426
Contributed services and materials	6,518,233	-	6,518,233	6,644,344
Interest income	3,541	-	3,541	3,138
Net assets released from donor restrictions	<u>292,328</u>	<u>(292,328)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>8,148,657</u>	<u>(104,828)</u>	<u>8,043,829</u>	<u>8,500,312</u>
<b>EXPENSES</b>				
Program Services	<u>7,592,987</u>	<u>-</u>	<u>7,592,987</u>	<u>7,602,923</u>
Supporting Services:				
Management and General	440,176	-	440,176	221,716
Fundraising	<u>203,898</u>	<u>-</u>	<u>203,898</u>	<u>332,174</u>
Total supporting services	<u>644,074</u>	<u>-</u>	<u>644,074</u>	<u>553,890</u>
Total expenses	<u>8,237,061</u>	<u>-</u>	<u>8,237,061</u>	<u>8,156,813</u>
Change in net assets	(88,404)	(104,828)	(193,232)	343,499
Net assets at beginning of year	<u>658,807</u>	<u>305,000</u>	<u>963,807</u>	<u>620,308</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 570,403</u></b>	<b><u>\$ 200,172</u></b>	<b><u>\$ 770,575</u></b>	<b><u>\$ 963,807</u></b>

**D.C. VOLUNTEER LAWYERS PROJECT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<b>2019</b>				<b>2018</b>	
	<b>Program Services</b>	<b>Supporting Services</b>			<b>Total Expenses</b>	<b>Total Expenses</b>
		<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>		
Salaries and related expenses	\$ 918,024	\$ 127,361	\$ 189,232	\$ 316,593	\$ 1,234,617	\$ 1,103,951
Contributed services and materials	6,518,233	-	-	-	6,518,233	6,644,344
Facilities and equipment expenses	4,900	174,650	-	174,650	179,550	178,775
Other expenses	16,176	16,481	-	16,481	32,657	29,278
Professional fees	13,635	78,606	-	78,606	92,241	94,928
Administrative expenses	92,463	32,920	14,618	47,538	140,001	69,168
Direct program expense	14,001	5,387	-	5,387	19,388	20,536
Insurance	10,190	4,106	-	4,106	14,296	9,930
Travel and meetings	5,365	665	48	713	6,078	5,903
<b>TOTAL</b>	<b>\$ 7,592,987</b>	<b>\$ 440,176</b>	<b>\$ 203,898</b>	<b>\$ 644,074</b>	<b>\$ 8,237,061</b>	<b>\$ 8,156,813</b>

See accompanying notes to financial statements.

## D.C. VOLUNTEER LAWYERS PROJECT

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (193,232)	\$ 343,499
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization	175	2,100
Decrease (increase) in:		
Grants receivable	264,999	(418,742)
Prepaid expenses	2,533	(8,922)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(7,149)	8,737
Accrued salaries and related benefits	<u>3,519</u>	<u>2,883</u>
Net cash provided (used) by operating activities	<u>70,845</u>	<u>(70,445)</u>
Net increase (decrease) in cash and cash equivalents	70,845	(70,445)
Cash and cash equivalents at beginning of year	<u>473,258</u>	<u>543,703</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 544,103</u></b>	<b><u>\$ 473,258</u></b>



## D.C. VOLUNTEER LAWYERS PROJECT

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 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 services to low-income individuals in the District of Columbia for family law cases. Founded in 2008, DCVLP's primary mission is to increase the number of experienced, trained attorneys providing pro-bono representation to indigent clients in the area of family law. DCVLP provides the necessary resources, such as, office space, malpractice insurance, training programs, and active mentoring and supervision to volunteer attorneys. 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 foster parents in adoption matters. DCVLP receives funding from individuals, corporations 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, 2018, from which the summarized information was derived.

##### New accounting pronouncements adopted -

During 2019, DCVLP adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way DCVLP recognized revenue; however, the presentation and disclosures of revenue have been enhanced. DCVLP elected a modified retrospective approach.

## D.C. VOLUNTEER LAWYERS PROJECT

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

New accounting pronouncements adopted (continued) -

Also during 2019, DCVLP adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. DCVLP adopted the ASU using a modified prospective basis.

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. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Amortization expense for the year ended December 31, 2019 totaled \$175 and is included on the Statement of Functional Expenses.

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, 2019, 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 -

Contributions, including unconditional pledges and grants qualifying as contributions are recognized in the appropriate category of net assets in the period received.

## D.C. VOLUNTEER LAWYERS PROJECT

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

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

##### Contributions and grants (continued) -

Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Grants receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Contributions and grants qualifying as contributions are recorded by DCVLP upon notification of the contribution and grant award and satisfaction of all conditions, if applicable. Contributions and grants are classified as net assets with donor restrictions when use of the contribution or grant funds is limited to specific programmatic areas or is designated for use in future periods.

Contributions and grants with 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; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

For contributions and grants treated as contributions, DCVLP had approximately \$130,000 in unrecognized conditional contributions as of December 31, 2019. The revenue related to this award is conditioned on incurring allowable expenditures, eligibility requirements and other conditions under the terms of the agreements and will be recognized as revenue in fiscal year 2020. DCVLP's revenue for fiscal year 2019 was lower than anticipated due the change in accounting treatment for this award.

DCVLP receives awards under grants from the U.S. governments and other sources for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such awards are recorded as non-exchange transactions within the "without donor restrictions" to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements. Awards received under grants and contracts in advance of incurring the related expenses for direct and indirect program costs are recorded as a refundable advance within the statement of financial position.

##### Contributed services and materials -

Contributed services and materials consist primarily of legal representation provided by volunteer attorneys to the clients of the organization and accounting services. Contributed services and materials 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.

**D.C. VOLUNTEER LAWYERS PROJECT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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. Occupancy cost, depreciation, and office costs are allocated based on square footage.

New accounting pronouncements not yet adopted -

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for non public entities beginning after December 15, 2020. Early adoption is permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

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, 2019, net assets have been designated by the Board of Directors for the following purposes:

<b>Operating Reserve</b>	<b>\$ <u>442,000</u></b>
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**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2019:

Subject to expenditure for specified purpose:	
Law Fellowship	\$ 50,000
Immigrant Justice	36,838
Family Clinic	58,334
Subject to passage of time	<u>55,000</u>
<b>TOTAL NET ASSETS WITH RESTRICTIONS</b>	<b>\$ <u>200,172</u></b>

The following net assets with restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

Immigrant Justice	\$ 13,161
Family Clinic	26,667
Child Advocacy Project	40,000
Domestic Violence	70,000
Law Fellowship	62,500
Timing Restrictions Accomplished	<u>80,000</u>
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ <u>292,328</u></b>

**D.C. VOLUNTEER LAWYERS PROJECT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**4. LIQUIDITY**

Financial assets available for use within one year of the Statement of Financial Position comprise the following at December 31, 2019:

Cash and cash equivalents	\$ 544,103
Grants receivable	<u>286,486</u>
Financial assets, at year-end	830,589
Less those unavailable for general expenditures within one year, due to:	
Restricted by timing or donor purpose restrictions	(145,172)
Board designations:	
Amounts set aside for liquidity reserve	<u>(442,000)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 243,417</u></b>

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 \$442,000 as of December 31, 2019. 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 AND MATERIALS**

During the year ended December 31, 2019, DCVLP was the beneficiary of professional services which allowed DCVLP to provide greater resources toward various programs.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended December 31, 2019.

<b>Pro-Bono Legal and Consulting Services</b>	<b><u>\$ 6,518,233</u></b>
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**6. LEASE COMMITMENTS**

DCVLP leases office space under a one year agreement, renewable at the end of each year, which began in February 2013 and extended through July 2014. Base rent was \$5,500 per month.

In July 2018, DCVLP entered into a fourth amendment, which extended the lease to July 31, 2020, with a base rent of \$14,560 per month, plus a proportionate share of expenses.

In February 2020, DCVLP entered into a fifth amendment, which extended the lease to July 31, 2022, with a base rent of \$15,142 per month, plus a proportionate share of expenses.

**D.C. VOLUNTEER LAWYERS PROJECT**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**6. LEASE COMMITMENTS (Continued)**

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

**Year Ending December 31,**

2020	\$ 177,632
2021	181,708
2022	<u>105,997</u>
	<b><u>\$ 465,337</u></b>

Rent expense for the year ended December 31, 2019 was \$179,550 and is included on the Statement of Functional Expenses in facilities and equipment expenses.

**7. RETIREMENT PLAN**

DCVLP provides retirement benefits to its employees through a defined contribution plan covering all full-time employees. There is no matching of employee contributions. DCVLP made no contributions to the Plan during 2019.

**8. SUBSEQUENT EVENTS**

In preparing these financial statements, DCVLP has evaluated events and transactions for potential recognition or disclosure through April 24, 2020, the date the financial statements were issued.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact DCVLP's operations. The overall potential impact is unknown at this time.



CPAs & ADVISORS

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

In planning and performing our audit of the financial statements of D.C. Volunteer Lawyers Project (DCVLP) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered DCVLP's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DCVLP's internal control. Accordingly, we do not express an opinion on the effectiveness of DCVLP's internal control.

Our consideration of DCVLP's internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in DCVLP's internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated April 24, 2020, on the financial statements of DCVLP. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

## OTHER RECOMMENDATIONS

### In-kind Legal Support

**2018-2019 Comment:** Based on discussion with management, the supporting documentation for the legal in-kind services provided by an attorney was not retained for one quarter. This was due to email documentation not being retained because of an employee termination. We recommend that backup procedures be applied prior to email deletion regarding support of in-kind legal services provided.

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

### Cyber Insurance Policy

**2018 Comment:** The purpose of a cyber insurance policy is to cover your organization's liability in the event of a data breach involving sensitive organization information, and is becoming increasingly more important with the increased prevalence of data breaches and cybercrimes. Such events could result in significant fines and legal fees, as well as a disruption to organization operations, substantial data loss, and potentially a damaged reputation as it could put members of the organization at risk. Based on inquiries of management, we noted that DCVLP does not currently have a cyber insurance policy. We believe that DCVLP, especially given the nature of activities in which DCVLP partakes in, should obtain cyber insurance to protect the organization and its members. Accordingly, we recommend that in the coming year DCVLP explore different coverage options and obtain a policy that is appropriate for the organization.

**2019 Status:** Based on audit test work performed, we consider this issue fully resolved.

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This communication is intended solely for the information and use of the Board of Directors, Audit Committee and management of the D.C. Volunteers Lawyer Project, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Gelman Rosenberg & Freedman*

April 24, 2020