

**Brooklyn Bar  
Association Volunteer  
Lawyers Project, Inc**  
Financial Statements  
December 31, 2019 and 2018



# Brooklyn Bar Association Volunteer Lawyers Project, Inc

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*December 31, 2019 and 2018*

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## *Independent Auditors' Report*

To the Board of Directors  
Brooklyn Bar Association Volunteer Lawyers Project, Inc

We have audited the accompanying financial statements of the Brooklyn Bar Association Volunteer Lawyers Project, Inc, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 the Brooklyn Bar Association Volunteer Lawyers Project, 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.

*Mazars USA LLP*

September 30, 2020

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## Brooklyn Bar Association Volunteer Lawyers Project, Inc

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### *Statements of Financial Position*

*December 31, 2019 and 2018*

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 598,571	\$ 631,243
New York State funding receivable	222,795	106,752
Contributions receivable	21,209	59,170
Prepaid expenses	61,424	56,885
Investments, at fair value	991,717	743,519
Security deposit	31,412	31,412
Property and equipment, net	204,680	257,296
	<hr/>	<hr/>
Total assets	\$ 2,131,808	\$ 1,886,277
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 23,018	\$ 23,555
Refundable advances	85,000	6,017
Deferred rent	43,323	35,448
	<hr/>	<hr/>
Total liabilities	151,341	65,020
	<hr/>	<hr/>
<b>Net assets</b>		
Without donor restrictions	1,945,538	1,786,682
With donor restrictions	34,929	34,575
	<hr/>	<hr/>
Total net assets	1,980,467	1,821,257
	<hr/>	<hr/>
Total liabilities and net assets	\$ 2,131,808	\$ 1,886,277
	<hr/> <hr/>	<hr/> <hr/>

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

## Brooklyn Bar Association Volunteer Lawyers Project, Inc

### Statements of Activities

Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Public support:						
New York State funding	\$ 921,330	\$ -	\$ 921,330	\$ 902,465	\$ -	\$ 902,465
Contributions and grants	176,075	-	176,075	210,403	-	210,403
Donated services	5,164,050	-	5,164,050	5,705,840	-	5,705,840
Special events, net of direct costs of \$138,181 and \$96,018, respectively	277,245	-	277,245	157,661	-	157,661
Investment income (loss)	195,885	5,854	201,739	(88,269)	(187)	(88,456)
Other income	292	-	292	44,072	-	44,072
Net assets released from restrictions	5,500	(5,500)	-	5,500	(5,500)	-
Total revenue and support	<u>6,740,377</u>	<u>354</u>	<u>6,740,731</u>	<u>6,937,672</u>	<u>(5,687)</u>	<u>6,931,985</u>
Expenses						
Program	6,210,609	-	6,210,609	6,774,416	-	6,774,416
General and administrative	151,854	-	151,854	141,746	-	141,746
Fund-raising	219,058	-	219,058	178,054	-	178,054
Total expenses	<u>6,581,521</u>	<u>-</u>	<u>6,581,521</u>	<u>7,094,216</u>	<u>-</u>	<u>7,094,216</u>
Change in net assets	158,856	354	159,210	(156,544)	(5,687)	(162,231)
Net assets - beginning of year	<u>1,786,682</u>	<u>34,575</u>	<u>1,821,257</u>	<u>1,943,226</u>	<u>40,262</u>	<u>1,983,488</u>
Net assets - end of year	<u>\$ 1,945,538</u>	<u>\$ 34,929</u>	<u>\$ 1,980,467</u>	<u>\$ 1,786,682</u>	<u>\$ 34,575</u>	<u>\$ 1,821,257</u>

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

## Brooklyn Bar Association Volunteer Lawyers Project, Inc

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### *Statements of Cash Flows*

*Years Ended December 31, 2019 and 2018*

	2019	2018
	<u>                    </u>	<u>                    </u>
Cash flows from operating activities		
Change in net assets	\$ 159,210	\$ (162,231)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gain) loss on investments	(190,902)	105,622
Depreciation	57,679	58,251
Increase (decrease) in cash resulting from changes in operating assets and liabilities:		
Contributions receivable	37,961	(298)
New York State funding receivable	(116,043)	11,252
Prepaid expenses	(4,539)	1,241
Accounts payable and accrued expenses	(537)	(7,316)
Refundable advances	78,983	6,017
Deferred rent	7,875	13,151
	<u>                    </u>	<u>                    </u>
Net cash provided by operating activities	<u>29,687</u>	<u>25,689</u>
Cash flows from investing activities		
Purchase of marketable securities	(775,103)	(618,061)
Proceeds from sale of marketable securities	717,807	546,531
Purchase of property and equipment	(5,063)	(10,359)
	<u>                    </u>	<u>                    </u>
Net cash used in investing activities	<u>(62,359)</u>	<u>(81,889)</u>
Net decrease in cash and cash equivalents	(32,672)	(56,200)
Cash and cash equivalents		
Beginning	<u>631,243</u>	<u>687,443</u>
End	<u>\$ 598,571</u>	<u>\$ 631,243</u>

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

# Brooklyn Bar Association Volunteer Lawyers Project, Inc

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## *Notes to Financial Statements*

*Years Ended December 31, 2019 and 2018*

### **1. Organization and Nature of Activities**

The Brooklyn Bar Association Volunteer Lawyers Project, Inc ("VLP"), was incorporated under the laws of the State of New York. The Internal Revenue Service has determined that VLP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Since its founding in 1990, the VLP has harnessed the powerful pro bono commitment of the private bar to provide critical civil legal services and equal access to the justice system to thousands of Brooklyn residents. The mission of the VLP is to ensure that the legal system is accessible to those who, because of special needs or the overwhelming burdens of poverty, would not otherwise have their rights protected or their voices heard.

The VLP provides direct civil legal services, education and outreach to low-income Brooklyn residents, assisting them to overcome legal challenges to their health and security, including family breakdowns, threatened homelessness, devastating debt, immigration status, and ongoing predatory practices that overwhelmingly target the poor, the elderly, and persons with disabilities. By arming clients with legal information and representation, the VLP levels the playing field and ensures success in court, stabilizing lives – for adults and children – and strengthening the community.

### **2. Summary of Significant Accounting Policies**

#### **Basis of Presentation**

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Use of Estimates**

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

VLP considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

VLP maintains cash in multiple bank accounts which, at times, may exceed federally-insured limits. As of December 31, 2019, cash and cash equivalents with one financial institution exceeded Federal Deposit Insurance Corporation limits of \$250,000 per institution. As of December 31, 2019, the total uninsured cash balance was approximately \$309,000. VLP has not experienced any losses in such accounts.

VLP also has approximately \$41,000 of cash in a brokerage FDIC Insured Sweep account at December 31, 2019.

#### **Investments**

Investments are reported at their fair values in the statements of financial position, which is the prevailing market value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Unrealized gains and losses are included in the statement of activities.

## **Brooklyn Bar Association Volunteer Lawyers Project, Inc**

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### **Fair Value of Financial Instruments**

VLP follows the accounting standards for fair value measurement and disclosures for financial assets and liabilities which clarify the definition of fair value, prescribe methods for measuring fair value, establish a fair value hierarchy based on the inputs used to measure fair value and expand disclosure about the use of fair value measurements. The following table presents financial assets that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

#### **Level 1 Fair Value Measurements:**

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

#### **Level 2 Fair Value Measurements:**

Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full-term of the financial instrument.

#### **Level 3 Fair Value Measurements:**

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuations methodologies used for assets measured at fair value:

*Common and preferred stocks:* Valued at the unadjusted closing price reported on the active market on which the individual securities are trades.

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by VLP are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by VLP are deemed to be actively traded.

### **Property and Equipment**

Property and equipment are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets. Renewals and betterments that materially extend the life of the assets are capitalized.

### **Deferred Rent**

Rent expense is being recognized on a straight-line basis over the term of the lease. The difference between rent expense recognized and rental payment, as stipulated in the lease, is reflected as deferred rent in the statements of financial position.

### **Revenue Recognition and Refundable Advances**

In June 2018, the FASB issued Accounting Standards Update 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made." The ASU was issued to make it easier for non-profit organizations to evaluate whether grants or contracts should be accounted for as contributions or as reciprocal (exchange) transactions. Organizations are required to evaluate whether the resource provider is receiving commensurate value in a transfer of resources and whether contributions are conditional or unconditional. For a contribution to be conditional under the new ASU, it must include both a barrier that must be overcome as well as a right of return to the resource provider for assets transferred or a



## **Brooklyn Bar Association Volunteer Lawyers Project, Inc**

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right of release of the promisor from its obligation to transfer assets. Analysis of various provisions of this standard resulted in no significant changes in the way VLP recognizes revenue.

VLP receives funding from multiple state assistance programs that supplement its traditional funding sources. These grants specify certain conditions to be met. Accordingly, VLP recognizes these contributions when the conditions are fulfilled. Amounts received prior to the conditions being met are recorded as refundable advances on the accompanying statements of financial position.

### **Contributions**

VLP reports gifts of cash and other assets as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions. However, the receipt of any with donor restriction contributions whose restrictions expire, or are otherwise satisfied within the period of receipt, are reported as without donor restricted revenues in the statement of activities.

Contributions received from members of VLP's Board of Directors amounted to approximately \$61,000 and \$72,000 for the years ended December 31, 2019 and 2018, respectively.

### **Net Assets**

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

#### **Without Donor Restrictions**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. The Board may designate a portion of these net assets for a specific purpose which makes them unavailable for use at management's discretion.

#### **With Donor Restrictions**

Net assets with donor restrictions result from contributions and other inflows of assets subject to donor imposed restrictions that either expire by the passage of time or can be fulfilled and removed by the actions pursuant to the restrictions. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, the net assets are reclassified to the category of net assets without donor restrictions and reported in the statement of activities and change in net assets, as net assets released from restrictions.

At December 31, 2019 and 2018, there were no net assets with Board designations.

### **In-Kind Contributions**

In-kind contributions for services or the use of equipment, materials or facilities at less than fair value are recorded at their fair value in accordance with accounting literature, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by VLP. In-kind contributed goods and materials are recorded at their fair value.

### **Functional Expenses**

Expenses directly attributable to specific functions of VLP are reported as expense of those functional areas. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, maintenance, depreciation, telephone and office expenses, which are allocated on the basis of office space utilization estimates, information technology based on the beneficiaries of such costs, as well as salaries, payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort.

## Brooklyn Bar Association Volunteer Lawyers Project, Inc

### 3. Contribution Receivable

Contributions receivable include unconditional promises to give which are receivable within one year of \$21,209 and \$59,170 at December 31, 2019 and 2018, respectively.

### 4. Investments

Investments consist of the following at December 31, 2019:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Preferred stocks	\$ 45,699	\$ 45,699	\$ -	\$ -
Common stocks	812,439	812,439	-	-
Corporate bonds	10,162	-	10,162	-
Mutual funds - fixed income	123,417	123,417	-	-
	<u>\$ 991,717</u>	<u>\$ 981,555</u>	<u>\$ 10,162</u>	<u>\$ -</u>

Investments consist of the following at December 31, 2018:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Preferred stocks	\$ 37,278	\$ 37,278	\$ -	\$ -
Common stocks	556,575	556,575	-	-
Corporate bonds	77,841	-	77,841	-
Mutual funds - fixed income	71,825	71,825	-	-
	<u>\$ 743,519</u>	<u>\$ 665,678</u>	<u>\$ 77,841</u>	<u>\$ -</u>

As of December 31, 2019 and 2018, no security represents more than 10% of investments. Investment income from these investments for the years ended December 31, 2019 and 2018 is summarized as follows:

	2019	2018
Interest and dividend income	\$ 19,010	\$ 24,519
Net realized gains	12,650	699
Net unrealized gains (losses)	178,252	(106,321)
Management fees	(8,173)	(7,353)
	<u>\$ 201,739</u>	<u>\$ (88,456)</u>

## Brooklyn Bar Association Volunteer Lawyers Project, Inc

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### 5. Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation, as follows:

	Estimated Useful Life	2019	2018
Office equipment	5 Years	\$ 67,774	\$ 67,774
Computer equipment	5 Years	47,698	42,635
Furniture and fixtures	7-10 Years	122,960	122,960
Leasehold improvement	lease term	133,256	133,256
		<u>371,688</u>	<u>366,625</u>
Less: accumulated depreciation		<u>167,008</u>	<u>109,329</u>
		<u><u>\$ 204,680</u></u>	<u><u>\$ 257,296</u></u>

### 6. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2019	2018
The Christopher Slattery Fund	\$ 7,133	\$ 6,478
Endowment fund - time restricted in perpetuity	27,796	23,097
44 Court Campaign (to fund the new offices)	-	5,000
	<u>          </u>	<u>          </u>
	<u><u>\$ 34,929</u></u>	<u><u>\$ 34,575</u></u>

### 7. Endowment Fund

Donor restricted endowment fund is the Christopher Slattery Fund, a memorial fund created in memory and honor of Christopher Slattery. Investment income earned in the fund is available for a \$500 annual grant to be awarded to a young attorney who has demonstrated outstanding commitment to provide pro bono representation of the indigent. The principal amount at December 31:

	2019	2018
The Christopher Slattery Fund	<u><u>\$ 27,796</u></u>	<u><u>\$ 23,097</u></u>

VLP's endowment consists of a donor-restricted endowment fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The Board of Directors of VLP has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary.

## Brooklyn Bar Association Volunteer Lawyers Project, Inc

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VLP classifies as net assets with donor restrictions (a time restriction in perpetuity) the principal amount of the gift to the donor restricted endowment. Investment income from the donor restricted endowment is classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the VLP in a manner consistent with the donor stipulated purpose within the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, VLP considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of VLP and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of VLP
- (7) Where appropriate and circumstances would otherwise warrant, alternative to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have had on VLP.
- (8) The investment policy of VLP.

Changes in Endowment Net Assets for the Years Ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Endowment net assets, beginning of year	<u>\$ 29,575</u>	<u>\$ 30,262</u>
Investment return:		
Investment income	1,155	1,820
Net appreciation (realized and unrealized)	4,699	(2,007)
Total investments return	<u>5,854</u>	<u>(187)</u>
Appropriation of endowment for expenditure	<u>(500)</u>	<u>(500)</u>
Contributions	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u><u>\$ 34,929</u></u>	<u><u>\$ 29,575</u></u>

### 8. Donated Services

VLP receives donated services from unpaid volunteers, which includes lawyers, law students and others. For the years ended December 31, 2019 and 2018, the amount of volunteer hours received was 12,975 and 15,505, respectively. All of the donated services were provided directly to clients of VLP. These donated services did not include any professional services provided directly to VLP for its corporate purposes. Donated legal services were valued at \$398 per hour and \$368 per hour for 2019 and 2018, respectively, based on the average rates for the NYC metro area detailed in the 2019 and 2018 Legal Trends reports. Total donated services for the years ended December 31, 2019 and 2018 amounted to \$5,164,050 and \$5,705,840, respectively.

## Brooklyn Bar Association Volunteer Lawyers Project, Inc

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### 9. Liquidity and Availability

VLP financial assets available within one year of the statement of financial position date for general expenditures is as follows:

December 31,	<u>2019</u>
Cash and cash equivalents	\$ 598,571
New York State funding receivable	222,795
Contributions receivable	21,209
Investments, at fair value	<u>991,717</u>
Total financial assets available within one year	<u>1,834,292</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors in perpetuity	(27,796)
Restricted by donors with purposes restriction	<u>(7,133)</u>
Total amounts unavailable for general expenditure within one year	<u>(34,929)</u>
Total amounts available for general expenditure within one year	<u><u>\$ 1,799,363</u></u>

### 10. Lease Commitments

VLP leases its office space under a non-cancellable operating lease expiring in 2024. During October 2017, VLP leased additional space under the lease. Future minimum rental payments under this lease are as follows:

<u>Years Ending</u>	<u>Amount</u>
2020	\$ 186,555
2021	192,152
2022	197,916
2023	203,854
2024	<u>192,081</u>
	<u><u>\$ 972,558</u></u>

Rent expense for the year ending December 31, 2019 and 2018 was \$189,131 and \$189,128, respectively.

## Brooklyn Bar Association Volunteer Lawyers Project, Inc

### 11. Functional Expenses

Expenses incurred were for the following:

	Year Ended December 31, 2019				Year Ended December 31, 2018			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Payroll and payroll taxes	\$ 696,472	\$ 54,100	\$ 182,992	\$ 933,564	\$ 690,617	\$ 53,124	\$ 141,665	\$ 885,406
Employee benefits	61,598	1,509	5,106	68,213	67,290	5,414	4,642	77,346
Legal services (Note 8)	5,164,050	-	-	5,164,050	5,705,840	-	-	5,705,840
Occupancy	156,849	19,606	19,606	196,061	155,227	19,403	19,403	194,033
Event expense	-	-	138,181	138,181	-	-	96,018	96,018
Program expenses	25,640	-	-	25,640	27,283	-	-	27,283
Information technology	19,086	15,268	3,818	38,172	18,010	14,408	3,603	36,021
Depreciation	49,026	5,768	2,884	57,678	49,512	5,826	2,913	58,251
Office expense	20,202	16,160	4,041	40,403	25,140	20,111	5,028	50,279
Professional fees	-	34,974	-	34,974	-	19,942	-	19,942
Telephone	9,456	1,112	556	11,124	9,724	1,144	572	11,440
Recruitment and recognition	2,496	-	-	2,496	7,232	-	-	7,232
Insurance	3,551	627	-	4,178	10,857	1,917	-	12,774
Donations / sponsorship	750	-	-	750	3,300	-	-	3,300
Repairs and maintenance	933	110	55	1,098	3,884	457	228	4,569
Christopher Slattery Award	500	-	-	500	500	-	-	500
Other expenses	-	2,620	-	2,620	-	-	-	-
	<u>6,210,609</u>	<u>151,854</u>	<u>357,239</u>	<u>6,719,702</u>	<u>6,774,416</u>	<u>141,746</u>	<u>274,072</u>	<u>7,190,234</u>
Less: direct event expenses			<u>(138,181)</u>	<u>(138,181)</u>			<u>(96,018)</u>	<u>(96,018)</u>
Total	<u>\$ 6,210,609</u>	<u>\$ 151,854</u>	<u>\$ 219,058</u>	<u>\$ 6,581,521</u>	<u>\$6,774,416</u>	<u>\$ 141,746</u>	<u>\$178,054</u>	<u>\$ 7,094,216</u>

## **Brooklyn Bar Association Volunteer Lawyers Project, Inc**

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### **12. Employee Benefit Plan**

VLP has maintained a 401(k) Profit Sharing Plan, a defined contribution retirement plan covering all employees. The plan covers all employees of VLP who meet the eligibility requirements of completing two consecutive months of eligibility service beginning on the employee's date of hire. Participation in the Profit Sharing Plan is not mandatory. VLP matched the participant's contribution up to 3.5% of their compensation for the Plan year, as defined in the Plan. VLP made approximately \$19,000 and \$21,000 contributions for participating employees during the years ended December 31, 2019 and 2018, respectively.

### **13. Subsequent Events**

VLP has evaluated subsequent events through September 30, 2020, the date that the financial statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the timing of revenue and completion of programs. Other financial impact could occur though such potential impact is unknown at this time.

In April 2020, the VLP secured a loan from a bank of approximately \$173,000 through the U.S. Small Business Administration's paycheck protection program. The loan has an interest rate of 1% and matures in April 2022. The VLP expects that a portion or all the loan may be forgiven in accordance with the provision of the paycheck protection program.

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