

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
(dba National Homelessness Law Center)

FINANCIAL STATEMENTS

December 31, 2024 and 2023

C O N T E N T S

Independent Auditor's Report	1
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Law Center on Homelessness and Poverty
Washington, D.C.

Opinion

We have audited the financial statements of National Law Center on Homelessness and Poverty, dba National Homelessness Law Center, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Homelessness Law Center as of December 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 National Homelessness Law Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 National Homelessness Law Center'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. 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 GAAS 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 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 GAAS, 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 National Homelessness Law Center'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 National Homelessness Law Center'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.



Wegner CPAs, LLP
Alexandria, Virginia
September 10, 2025

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 376,449	\$ 109,803
Unconditional promises to give	709,328	861,880
Employee retention credit receivable	168,324	168,324
Prepaid expenses	<u>11,945</u>	<u>11,742</u>
Total current assets	1,266,046	1,151,749
EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture and equipment	25,451	25,451
Computers	18,221	18,221
Software	19,342	19,342
Leasehold improvements	<u>9,651</u>	<u>9,651</u>
Equipment and leasehold improvements	72,665	72,665
Accumulated depreciation	<u>(72,410)</u>	<u>(72,101)</u>
Equipment and leasehold improvements, net	255	564
OTHER ASSETS		
Deposits	500	500
Operating lease right-of-use asset	<u>552,279</u>	<u>8,274</u>
Total other assets	<u>552,779</u>	<u>8,774</u>
Total assets	<u>\$ 1,819,080</u>	<u>\$ 1,161,087</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 14,430	\$ 20,495
Current portion of operating lease liability	72,827	12,336
Accrued payroll	63,682	72,201
Accrued vacation	<u>67,867</u>	<u>53,621</u>
Total current liabilities	218,806	158,653
LONG-TERM LIABILITIES		
Operating lease liability, less current portion	<u>514,798</u>	<u>-</u>
Total liabilities	733,604	158,653
NET ASSETS		
Without donor restrictions	281,057	45,948
With donor restrictions	<u>804,419</u>	<u>956,486</u>
Total net assets	<u>1,085,476</u>	<u>1,002,434</u>
Total liabilities and net assets	<u>\$ 1,819,080</u>	<u>\$ 1,161,087</u>

See accompanying notes.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Foundation grants	\$ 448,298	\$ 464,328	\$ 912,626
Corporate contributions	208,515	535,000	743,515
Law firm contributions	222,600	-	222,600
Individual contributions	325,091	-	325,091
Contributed nonfinancial assets	4,507,633	-	4,507,633
Legal aid services	59,302	-	59,302
Other revenue	6,347	-	6,347
 Total support and revenue	 5,777,786	 999,328	 6,777,114
EXPENSES			
Program services	6,415,750	-	6,415,750
Supporting activities			
Management and general	477,808	-	477,808
Fundraising	176,101	-	176,101
 Total supporting activities	 653,909	 -	 653,909
 Total expenses	 7,069,659	 -	 7,069,659
NET ASSETS RELEASED FROM RESTRICTIONS			
Expiration of time restrictions	886,880	(886,880)	-
Satisfaction of purpose restrictions	264,515	(264,515)	-
 Total net assets released from restrictions	 1,151,395	 (1,151,395)	 -
OTHER CHANGES			
Gain on legal settlement	375,587	-	375,587
Change in net assets	235,109	(152,067)	83,042
Net assets at beginning of year	45,948	956,486	1,002,434
Net assets at end of year	\$ 281,057	\$ 804,419	\$ 1,085,476

See accompanying notes.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Foundation grants	\$ 302,197	\$ 356,880	\$ 659,077
Corporate contributions	829,414	-	829,414
Law firm contributions	176,875	25,000	201,875
Individual contributions	294,953	-	294,953
Contributed nonfinancial assets	3,063,988	-	3,063,988
Employee Retention Credit	168,324	-	168,324
Legal aid services	250	-	250
Other revenue	<u>7,325</u>	<u>-</u>	<u>7,325</u>
Total support and revenue	4,843,326	381,880	5,225,206
EXPENSES			
Program services	4,310,851	-	4,310,851
Supporting activities			
Management and general	724,063	-	724,063
Fundraising	<u>119,516</u>	<u>-</u>	<u>119,516</u>
Total supporting activities	<u>843,579</u>	<u>-</u>	<u>843,579</u>
Total expenses	5,154,430	-	5,154,430
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of purpose restrictions	<u>448,516</u>	<u>(448,516)</u>	<u>-</u>
Change in net assets			
	137,412	(66,636)	70,776
Net assets at beginning of year	<u>(91,464)</u>	<u>1,023,122</u>	<u>931,658</u>
Net assets at end of year	<u>\$ 45,948</u>	<u>\$ 956,486</u>	<u>\$ 1,002,434</u>

See accompanying notes.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 1,192,160	\$ 355,821	\$ 149,374	\$ 1,697,355
Rent	66,313	19,792	8,309	94,414
Professional fees	243,645	10,693	15,630	269,968
Accounting	-	33,844	-	33,844
Fees, dues, subscriptions	62,706	39,821	-	102,527
Equipment	4,937	1,474	619	7,030
Travel	34,344	-	-	34,344
Telephone and internet	5,962	1,780	747	8,489
Printing and reproduction	2,206	-	-	2,206
Insurance	11,350	3,388	1,422	16,160
Depreciation	-	309	-	309
Fellowship and grants	250,437	-	-	250,437
Postage and delivery	978	-	-	978
Conference registration	3,475	-	-	3,475
Bank charges	-	3,490	-	3,490
Office supplies	-	1,640	-	1,640
Food and beverage	30	5,756	-	5,786
Event production	23,624	-	-	23,624
Staff development	<u>5,950</u>	<u>-</u>	<u>-</u>	<u>5,950</u>
 Subtotal	 1,908,117	 477,808	 176,101	 2,562,026
 Contributed legal and professional services	 <u>4,507,633</u>	 <u>-</u>	 <u>-</u>	 <u>4,507,633</u>
 Total expenses	 <u>\$ 6,415,750</u>	 <u>\$ 477,808</u>	 <u>\$ 176,101</u>	 <u>\$ 7,069,659</u>

See accompanying notes.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 824,277	\$ 549,869	\$ 102,801	\$ 1,476,947
Rent	66,648	44,448	8,297	119,393
Professional fees	43,852	22,861	5,799	72,512
Accounting	-	37,341	-	37,341
Fees, dues, subscriptions	31,875	46,076	-	77,951
Equipment	3,350	2,234	418	6,002
Travel	17,868	-	-	17,868
Telephone and internet	5,306	3,539	660	9,505
Printing and reproduction	1,243	704	399	2,346
Insurance	8,792	5,863	1,094	15,749
Depreciation	-	741	-	741
Fellowship and grants	215,015	-	-	215,015
Postage and delivery	-	1,085	-	1,085
Conference registration	7,045	-	-	7,045
Bank charges	-	9,046	-	9,046
Office supplies	3,684	-	-	3,684
Food and beverage	384	256	48	688
Event production	16,698	-	-	16,698
Staff development	826	-	-	826
 Subtotal	 1,246,863	 724,063	 119,516	 2,090,442
Contributed legal and professional services	<u>3,063,988</u>	<u>-</u>	<u>-</u>	<u>3,063,988</u>
 Total expenses	 <u>\$ 4,310,851</u>	 <u>\$ 724,063</u>	 <u>\$ 119,516</u>	 <u>\$ 5,154,430</u>

See accompanying notes.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 83,042	\$ 70,776
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	309	741
Amortization of operating lease right-of-use asset	86,043	99,283
Decrease (increase) in assets		
Unconditional promises to give	152,552	(653,409)
Employee retention credit receivable	-	(168,324)
Prepaid expenses	(203)	32,271
Increase (decrease) in liabilities		
Accounts payable	(6,065)	18,202
Operating lease liability	(54,759)	(147,594)
Accrued payroll	(8,519)	24,476
Accrued vacation	<u>14,246</u>	<u>1,022</u>
Net change in cash	266,646	(722,556)
Cash at beginning of year	<u>109,803</u>	<u>832,359</u>
Cash at end of year	<u>\$ 376,449</u>	<u>\$ 109,803</u>

See accompanying notes.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

National Law Center on Homelessness and Poverty, doing business as National Homelessness Law Center (Law Center) is a nonprofit organization, incorporated in the District of Columbia in June 1989. The Law Center is the only national organization dedicated solely to using the power of the law to end and prevent homelessness. With support of a large network of pro bono lawyers, we address the immediate and long-term needs of people who are homeless or at risk through outreach and training, advocacy, impact litigation, and public education. The Law Center is primarily funded through contributions from law firms, foundations, corporations, and individuals.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Equipment and Leasehold Improvements

Acquisitions of equipment and leasehold improvements in excess of \$1,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful life.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

The Law Center provides legal aid services and consulting on certain litigation cases in which a contract is entered into specifying services to be performed and the fees earned for the legal aid services provided. Revenue is recognized at the point in time the Law Center provides the particular service.

Donated Materials and Services

Donated materials are recorded as contributions at fair market value at the date of donation. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Law Center.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Law Center does not recognize short-term leases in the statement of financial position. For these leases, the Law Center recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Law Center also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Law Center uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Income Tax Status

The Law Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Law Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Date of Management's Review

Management has evaluated subsequent events through September 10, 2025, the date which the financial statements were available to be issued.

NOTE 2 – DONATED SERVICES

The Law Center recognized contributed nonfinancial assets within revenue including contributed professional fees. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services recognized comprise of professional services from attorneys providing legal expertise on various legal matters for the homeless population which are included in program services on the statement of functional expenses. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 – OPERATING LEASE

The Law Center leases office space under an operating lease that expires in October 2030. Lease cost for the years ended December 31, 2024 and 2023 totaled \$101,444 and \$173,706, respectively.

Other information related to the operating lease is as follows:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liability	\$ 64,077	\$ 147,595
Right of use asset obtained in exchange for new operating lease liability	630,049	-
Weighted-average remaining lease term	5.75 years	.08 years
Weighted-average discount rate	3.83%	1.04%

The maturities of the lease liability as of December 31, 2024, are as follows:

2025	\$ 94,010
2026	96,830
2027	119,740
2028	123,332
2029	127,032
2030	98,053
 Total minimum lease payments	 658,997
Imputed interest	(71,372)
 Total lease liability	 \$ 587,625

NOTE 4 – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Law and Policy	\$ -	\$ 3,431
Decriminalization Policy	-	25,100
Youth Federal & Tribal Indexes	28,554	41,075
Youth Work	34,276	805,000
Income discrimination	32,261	-
Subsequent year operations	709,328	81,880
 Net assets with donor restrictions	 \$ 804,419	 \$ 956,486

Net assets without donor restrictions includes a board designated reserve of \$360,000, intended for future operations. The reserve may not be liquidated without board approval. The board designated reserve exceeds net assets without donor restrictions.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 – PAYCHECK PROTECTION PROGRAM LOAN

The Law Center received loans totaling \$238,860 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On June 28, 2021, the SBA preliminarily approved forgiveness of the Law Center's first draw loan. On March 8, 2022, the SBA preliminarily approved forgiveness of the Law Center's second draw loan. The Law Center must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of the SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Law Center's good-faith certification concerning the necessity of its loan request, whether the Law Center calculated the loan amount correctly, whether the Law Center used loan proceeds for the allowable uses specified in the CARES Act, and whether the Law Center is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Law Center was ineligible for the loans or for forgiveness in whole or in part, SBA will seek repayment of the loan.

NOTE 6 – LIQUIDITY AND AVAILABILITY

The following table reflects the Law Center's financial assets as of the date of the statement of financial position, reduced by amounts that are not available to meet general expenditures within one year of the date of the statement of financial position because of donor-imposed restrictions.

	<u>2024</u>	<u>2023</u>
Financial assets at end of year		
Cash	\$ 376,449	\$ 109,803
Unconditional promises to give	709,328	861,880
Employee retention credit receivable	<u>168,324</u>	<u>168,324</u>
 Total financial assets at end of year	 1,254,101	 1,140,007
 Less amounts not available for general expenditures within one year due to:		
Restricted by donor with purpose restrictions	(95,091)	(808,431)
Board designated for reserves	<u>(360,000)</u>	<u>(360,000)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 799,010</u>	 <u>\$ (28,424)</u>

There is a board designated reserve of \$360,000 which could be made available at the board's discretion. As part of Law Center'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.

NATIONAL LAW CENTER ON HOMELESSNESS AND POVERTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – LINE OF CREDIT

The Law Center has a revolving line of credit agreement with a bank that provides maximum borrowings up to \$75,000 that expires in September 2025. The line accrues interest on the borrowings at an interest rate of 10%. There was no outstanding balance on the line for the years ended December 31, 2024 and 2023.

NOTE 8 – CONDITIONAL GRANTS

The Law Center has a grant that is conditioned upon the Law Center incurring qualifying expenses under the grant program. At December 31, 2024, the conditional grant totaled \$600,000. The conditional grant will be recognized as revenue when the respective conditions are met in future years.

NOTE 9 – EMPLOYEE RETENTION CREDIT

During the year ended December 31, 2023, the Law Center claimed Employee Retention Credits (ERC) totaling \$168,324 under the provisions the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The Law Center determined it had a significant decline in gross receipts and claimed the ERC for the second quarter of 2020 and first two quarters of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit the Law Center's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines the Law Center was ineligible for the ERC, the Law Center would be required to repay the amount claimed along with penalties and interest.