

**PROJECT CITIZENSHIP, INC.**



*Financial Statements*

*For the Years Ended December 31, 2024 and 2023*

**PROJECT CITIZENSHIP, INC.**

*Financial Statements*

*For the Years Ended December 31, 2024 and 2023*

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## ***Independent Auditors' Report***

To the Board of Directors  
***Project Citizenship, Inc.***  
Boston, Massachusetts

### ***Opinion***

We have audited the accompanying financial statements of Project Citizenship, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2024 and 2023, the related statements of activities, cash flows, and functional expenses 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 Project Citizenship, Inc. as of December 31, 2024 and 2023 and the changes 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Project Citizenship, Inc. 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 opinions.

### ***Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Project Citizenship, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibility 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 and *Government 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 Project Citizenship Inc.'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, which raise substantial doubt about Project Citizenship Inc.'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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of Project Citizenship, Inc.'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 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 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 Project Citizenship Inc.'s internal control over financial reporting and compliance.

*Kelly Vitale Raffol, LLC*

Boston, Massachusetts  
March 28, 2025

**PROJECT CITIZENSHIP, INC.**

*Statements of Financial Position*

*As of December 31, 2024 and 2023*

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 731,726	\$ 888,407
Grants and contributions receivable	201,805	207,775
Investments	517,372	475,093
Prepaid expenses	13,718	16,102
Security deposit	21,104	21,104
	<hr/>	<hr/>
<b>Total current assets</b>	1,485,725	1,608,481
<b>Noncurrent Assets</b>		
Pledges receivable	-	5,000
Right-of-use asset	404,191	458,228
	<hr/>	<hr/>
<b>Total noncurrent assets</b>	404,191	463,228
	<hr/>	<hr/>
<b>Total assets</b>	<u>\$ 1,889,916</u>	<u>\$ 2,071,709</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 40,833	\$ 36,006
Accrued payroll and related expenses	21,785	23,622
Lease liability	418,154	468,933
	<hr/>	<hr/>
<b>Total liabilities</b>	480,772	528,561
<b>Net Assets:</b>		
Without donor restrictions	1,204,754	1,271,671
With donor restrictions	204,390	271,477
	<hr/>	<hr/>
<b>Total net assets</b>	1,409,144	1,543,148
	<hr/>	<hr/>
<b>Total liabilities and net assets</b>	<u>\$ 1,889,916</u>	<u>\$ 2,071,709</u>

See accompanying notes to financial statements.

**PROJECT CITIZENSHIP, INC.**

*Statement of Activities*

*For the Year Ended December 31, 2024*

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<b><i>Revenues and Other Support:</i></b>			
Gifts, grants and contributions	\$ 1,020,347	\$ 267,092	\$ 1,287,439
Donated services and goods	2,925,160	-	2,925,160
Interest and other income	65,588	-	65,588
Unrealized gains/losses on investment	(15,543)	-	(15,543)
Net assets released from restrictions	334,179	(334,179)	-
<b><i>Total revenues and other support</i></b>	<b>4,329,731</b>	<b>(67,087)</b>	<b>4,262,644</b>
<b><i>Expenses:</i></b>			
Program services	4,116,691	-	4,116,691
General and administrative	200,151	-	200,151
Fundraising	79,806	-	79,806
<b><i>Total expenses</i></b>	<b>4,396,648</b>	<b>-</b>	<b>4,396,648</b>
<b><i>Change in net assets</i></b>	<b>(66,917)</b>	<b>(67,087)</b>	<b>(134,004)</b>
<b><i>Net assets, beginning</i></b>	<b>1,271,671</b>	<b>271,477</b>	<b>1,543,148</b>
<b><i>Net assets, ending</i></b>	<b>\$ 1,204,754</b>	<b>\$ 204,390</b>	<b>\$ 1,409,144</b>

See accompanying notes to financial statements.

**PROJECT CITIZENSHIP, INC.**

*Statement of Activities*

*For the Year Ended December 31, 2023*

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<b><i>Revenues and Other Support:</i></b>			
Gifts, grants and contributions	\$ 835,958	\$ 310,200	\$ 1,146,158
Donated services and goods	2,821,415	-	2,821,415
Interest and other income	39,212	-	39,212
Unrealized gains/losses on investment	27,976	-	27,976
Net assets released from restrictions	351,150	(351,150)	-
<b><i>Total revenues and other support</i></b>	<b>4,075,711</b>	<b>(40,950)</b>	<b>4,034,761</b>
<b><i>Expenses:</i></b>			
Program services	3,948,290	-	3,948,290
General and administrative	60,482	-	60,482
Fundraising	166,321	-	166,321
<b><i>Total expenses</i></b>	<b>4,175,093</b>	<b>-</b>	<b>4,175,093</b>
<b><i>Change in net assets</i></b>	<b>(99,382)</b>	<b>(40,950)</b>	<b>(140,332)</b>
<b><i>Net assets, beginning</i></b>	<b>1,371,053</b>	<b>312,427</b>	<b>1,683,480</b>
<b><i>Net assets, ending</i></b>	<b>\$ 1,271,671</b>	<b>\$ 271,477</b>	<b>\$ 1,543,148</b>

See accompanying notes to financial statements.

**PROJECT CITIZENSHIP, INC.**

*Statements of Cash Flows*

*For the Years Ended December 31, 2024 and 2023*

	<u>2024</u>	<u>2023</u>
<b><i>Cash Flows from Operating Activities:</i></b>		
Change in net assets	\$ (134,004)	\$ (140,332)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized gains/losses on investment	15,543	(27,976)
Amortization of right of use asset	65,276	67,292
Changes in:		
Grants and contributions receivable	5,970	55,862
Prepaid expenses	2,384	2,000
Pledges receivable	5,000	35,000
Accounts payable and accrued expenses	4,827	5,857
Accrued payroll and related expenses	(1,837)	(16,023)
Lease liability	(63,995)	(62,716)
<b><i>Net cash provided by operating activities</i></b>	<u>(100,836)</u>	<u>(81,036)</u>
<b><i>Cash Flows from Investing Activities:</i></b>		
Purchase of investments	(300,302)	(174,038)
Proceeds from sale of investment	244,457	159,728
<b><i>Net cash used in investing activities</i></b>	<u>(55,845)</u>	<u>(14,310)</u>
<b><i>Net change in cash and cash equivalents</i></b>	(156,681)	(95,346)
<b><i>Cash and cash equivalents, beginning</i></b>	<u>888,407</u>	<u>983,753</u>
<b><i>Cash and cash equivalents, ending</i></b>	<u>\$ 731,726</u>	<u>\$ 888,407</u>

See accompanying notes to financial statements.

**PROJECT CITIZENSHIP, INC.**

*Statement of Functional Expenses*

*For the Year Ended December 31, 2024*

	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Donated services and goods	\$ 2,925,160	\$ -	\$ -	\$ 2,925,160
Salaries and wages	894,654	36,511	65,393	996,558
Payroll taxes and workers insurance	69,400	6,070	14,032	89,502
Employee benefits	27,179	38,315	-	65,494
AmeriCorps service members	9,000	-	-	9,000
Professional fees and consultants	2,104	87,955	20	90,079
Rent and utilities	69,967	3,284	-	73,251
Supplies	17,071	3,346	-	20,417
Information technology	33,767	15,952	-	49,719
Dues, fees and licenses	1,150	232	361	1,743
Advertising and promotion	3,568	-	-	3,568
Insurance	3,539	2,265	-	5,804
Staff recruitment and development	529	2,100	-	2,629
Investment expense	-	2,589	-	2,589
Conferences and meetings	1,453	1,398	-	2,851
Travel	1,449	12	-	1,461
Workshop expenses	56,701	122	-	56,823
<b><i>Total expenses</i></b>	<b>\$ 4,116,691</b>	<b>\$ 200,151</b>	<b>\$ 79,806</b>	<b>\$ 4,396,648</b>

See accompanying notes to financial statements.

**PROJECT CITIZENSHIP, INC.**

*Statement of Functional Expenses*

*For the Year Ended December 31, 2023*

	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Donated services and goods	\$ 2,821,415	\$ -	\$ -	\$ 2,821,415
Salaries and wages	679,931	38,481	132,908	851,320
Payroll taxes and workers insurance	61,679	4,649	12,715	79,043
Employee benefits	28,615	374	1,106	30,095
AmeriCorps service members	27,242	-	-	27,242
Professional fees and consultants	107,895	8,829	5,999	122,723
Rent and utilities	60,472	3,360	3,360	67,192
Supplies	19,766	-	-	19,766
Information technology	37,950	947	9,066	47,963
Dues, fees and licenses	1,608	243	780	2,631
Advertising and promotion	22,902	-	-	22,902
Insurance	5,141	795	277	6,213
Staff recruitment and development	42,690	-	-	42,690
Investment expense	-	2,246	-	2,246
Conferences and meetings	1,964	558	89	2,611
Travel	2,321	-	21	2,342
Workshop expenses	26,699	-	-	26,699
<b><i>Total expenses</i></b>	<b>\$ 3,948,290</b>	<b>\$ 60,482</b>	<b>\$ 166,321</b>	<b>\$ 4,175,093</b>

See accompanying notes to financial statements.

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

#### **Note 1. Organization**

Project Citizenship, Inc. (Project Citizenship or the Organization) was incorporated in 2014 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an organization which is not a private foundation under Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

Project Citizenship is a nonprofit agency that provides free, high quality legal services to permanent residents to help them become U.S. citizens. Project Citizenship offers free workshops, eligibility screening, application assistance, legal referrals and all materials needed to apply for U.S. citizenship. In addition, Project Citizenship works collaboratively with community-based partners in New England to provide a range of support services, civics instruction, application assistance, and ESOL classes.

#### **Program Services**

Project Citizenship helps legal permanent residents apply for citizenship by reducing the barriers and obstacles. Project Citizenship provides free services through the pro bono support of over 1,000 volunteers from area law schools and law firms in Boston. Project Citizenship offers services in three venues: in its Boston Citizenship Center, at area law firms, and in community venues throughout Massachusetts.

Some of Project Citizenship's clients are unable to speak English and exempt from the English requirement due to age. Some other of Project Citizenship's clients are unable to speak English due to a physical or cognitive impairment. For the majority of clients unable to pay the \$760 filing fee, Project Citizenship prepares and advocates for a fee waiver.

Since 2014, Project Citizenship has submitted over 12,000 citizenship applications for children and adults, for immigrants from countries all over the world. With a strong success rate, Project Citizenship is ensuring access to citizenship for those who might otherwise be priced out.

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

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

##### ***Basis of Accounting and Financial Statement Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). These standards require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets available that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. For the years ended December 31, 2024 and 2023, there was \$0, held in the board-designated reserve.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

All cash, money markets accounts and short-term investments with original maturities of three months or less are considered cash and cash equivalents.

##### ***Grants and Contributions Receivable***

Grants and contributions receivable primarily represent unconditional promises to give that are recognized at net realizable value when the promise is received. Amounts are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when considered material. These amounts are considered fully collectible; accordingly, these financial statements do not contain a provision for uncollectible receivables from grants, contributions and pledges. If amounts owed become uncollectible, an allowance for uncollectible grants, contributions and pledges will be established when that determination is made.

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

##### ***Property and Equipment***

Property, equipment, furnishing and improvement purchases in excess of \$2,500 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas, major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged against income over the estimated useful lives of the assets, as expressed in terms of years. The Organization had no property and equipment as of December 31, 2024 or 2023 that met the capitalization threshold.

##### ***Gifts, Grants and Contributions***

Contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and right of return—are not recognized until the conditions on which they depend have been met.

##### ***Donated Goods and Services***

The Organization maintains a policy whereby the value of the donated goods and services which create or enhance non-financial assets; require a specialized skill; and which would have otherwise been purchased by the Organization if not provided by donation are recorded at their fair value in the period received. These donations are recognized as revenue on the statement of activities and listed as expenses on the statement of functional expenses, as they pertain under *Presentation and Disclosure by Not-for-Profit Entities for Contributed Non-Financial Assets* (Topic 958). While material in amount, these donations do not have an impact on the change in net assets for the years presented.

##### ***Leases***

The Organization follows ASU No. 2016-02 Leases (Topic 842), which required the Trust to capitalize on any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to not account for non-lease components separately. As a result of the lease accounting treatment, there are differences between the amount of rent expensed on the Statement of Activities and Changes in Net Assets and the amount of cash paid pursuant to the lease agreement.

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

#### **Note 3. Summary of Significant Accounting Policies (Continued)**

##### ***Functional Expenses***

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses which can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based upon space and time usage. Payroll and related expenses are based upon time usage, whereas rent, utilities, and similar expenses are based on an occupancy allocation. Supporting services are those related to operating and managing Project Citizenship, Inc. and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

*Administrative:* Includes all activities related to Project Citizenship, Inc.'s internal management and accounting for program services.

*Fundraising:* Includes all activities related to maintaining contributor information, corporate membership development, grant writing, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

##### ***Revenue Recognition***

The Organization adopted *Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers* (Topic 606) using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization applies Topic 606 to exchange transactions in which it receives consideration for products or services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the customers participating in the Organization's programs or using their services. The Organization's revenue is derived from grants and contributions from individuals, corporations and bequests. All revenue is recorded at estimated net realizable amounts.

# PROJECT CITIZENSHIP, INC.

## Notes to Financial Statements

### For the Years Ended December 31, 2024 and 2023

#### Note 2. Summary of Significant Accounting Policies (Continued)

The Organization follows ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as amended. ASU 2018-08 was issued to make it easier for not-for-profit organizations to evaluate whether gifts, grants or contracts should be accounted for as contributions or as reciprocal (exchange) transactions accounted for under ASU 2014-09. Under this guidance, organizations are required to evaluate whether the resource provider (i.e., federal agency, foundation, corporation, etc.) is receiving commensurate value in a transfer of resources (i.e., assets or reduction/settlement of liabilities) and whether contributions are conditional or unconditional. If commensurate value is received by the resource provider, the transaction is to be accounted for as an exchange transaction by applying ASU 2014-09. If commensurate value is not received by the resource provider (i.e., the transaction is nonexchange), the recipient organization would determine the transaction to be a contribution and determine whether the contribution is unconditional or conditional. The standard improves the usefulness and understandability of the Organization's financial reporting.

#### Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The CECL methodology replaces the multiple impairment methods permitted to be utilized in prior years, which generally require that a loss be incurred before it is recognized. On January 1, 2024, the Organization adopted the ASU prospectively. The impact of the adoption of this ASU was immaterial to the financial statements. Accordingly, there was no adjustment to net assets upon adoption.

#### Note 3. Net Assets with Donor Restrictions

Unexpended donor-designated grants and contributions consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Nature of restriction:		
Time restricted	\$ 113,750	\$ 136,250
Citizenship Day	-	50,000
Citizenship and immigration	37,297	21,050
Citizenship in Eastern Massachusetts	25,000	-
Citizenship in Southern Massachusetts	5,000	-
Maintenance special project	23,343	64,177
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 204,390</b>	<b>\$ 271,477</b>

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

**Note 4. Donated Goods and Services**

Volunteers are an integral component of the Organization’s operations. During 2024, the Organization received approximately 2,836 legal and consulting hours from various law firms which was valued at rates ranging from \$30 to \$1,245 an hour. During 2023, the Organization received approximately 3,260 of legal and consulting hours from various law firms which was valued at rates ranging from \$30 to \$1,150 per hour. The following donated services, goods and facilities have been recognized as revenues with offsetting expenses in the accompanying financial statements for the years ended December 31:

	<i>2024</i>	<i>2023</i>
Donated legal and consulting services	\$ 2,913,301	\$ 2,817,059
Donated space and workshop expenses	11,859	4,356
<b><i>Total</i></b>	<b>\$ 2,925,160</b>	<b>\$ 2,821,415</b>

In addition, volunteer law students have provided services for many cases; however, although valuable to the Organization, these donated services do not meet the recognition criteria.

**Note 5. Right of Use Asset and Lease Liability**

The Organization leases office space in Boston, Massachusetts under a 10-year lease agreement expiring November 2031, with monthly payments increasing each year from \$4,796 in fiscal year 2021 to \$5,755 in fiscal year 2031. The Organization is responsible for additional rent, and utilities. The organization also leases equipment for general operations.

The components of lease expense, lease term and discount for the year ended December 31, 2024 are as follows:

	<i>Operating Lease</i>	<i>Financing Lease</i>
Lease cost	\$ 60,220	\$ 3,775
Weighted-average remaining lease term, years	6.91	3
Weighted-average discount rate	3.00%	3.00%
Right-of-use asset	\$ 545,009	\$ 17,553
Less: accumulated amortization	(151,350)	(7,021)
<b><i>Right-of-use asset, net</i></b>	<b>\$ 393,659</b>	<b>\$ 10,532</b>

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

#### **Note 6. Right of Use Asset and Lease Liability (Continued)**

Future minimum payments for these leases are as follows:

Years ending December 31:		
2025	\$ 61,499	\$ 3,776
2026	62,778	3,776
2027	64,057	3,776
2028	65,336	-
2029	66,615	-
Thereafter	131,198	-
	<hr/>	<hr/>
Total undiscounted lease payments	451,483	11,328
Less: discount to net present value	(44,176)	(481)
	<hr/>	<hr/>
<b><i>Present value of lease liability</i></b>	<b>\$ 407,307</b>	<b>\$ 10,847</b>

#### **Note 6. Concentrations**

##### **Cash**

The Organization is subject to concentrations in credit risk relating to cash balances. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The Organization occasionally has funds in excess of FDIC limits; however, the Organization has not experienced any losses on uninsured cash balances.

##### **Gifts, Grants and Contributions**

For the years ended December 31, 2024 and 2023, 64% and 56%, respectively, of gifts, grants and contributions were attributable to one contract and one family foundation.

#### **Note 7. Liquidity and Availability of Financial Assets**

The following represents the Organization's financial assets that are available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, perpetual endowments and accumulated earning net of appropriations, or because the governing board has set aside the funds for a specific reserve.

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

#### **Note 8. Liquidity and Availability of Financial Assets (Continued)**

Financial assets as of December 31, are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 283,436	\$ 888,407
Grants and contributions receivable	201,805	207,775
Investments	965,662	475,093
<b><i>Total financial assets</i></b>	<u>1,450,903</u>	<u>1,571,275</u>
Less amounts not available for use within one year:		
Total net assets with donor restrictions	<u>204,390</u>	<u>271,477</u>
<b><i>Total financial assets available to meet general expenditures within one year</i></b>	<u>\$ 1,246,513</u>	<u>\$ 1,299,798</u>

Project Citizenship reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. As of December 31, 2024 and 2023, the Organization has available in checking and savings accounts, financial assets equal to approximately six months of operating expenses.

#### **Note 8. Fair Value Measurements**

The FASB Accounting Standards Codification 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quotes prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB Accounting Standards Codification are described as follows:

*Level 1:* Inputs to the valuation methodology are unadjusted quotes prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2:* Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

**Note 8. Fair Value Measurements (Continued)**

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's investments in marketable securities are all valued at the closing price reported in the active market in which the individual securities are traded. The method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of December 31:

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 1,000	\$ -	\$ -	\$ 1,000
Mutual Funds	476,597	-	-	476,597
Exchange-traded funds	39,775	-	-	39,775
<b><i>Total assets at fair value</i></b>	<b>\$ 517,372</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 517,372</b>
	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$ 4,192	\$ -	\$ -	\$ 4,192
Exchange-traded funds	93,276	-	-	93,276
Fixed income	377,625	-	-	377,625
<b><i>Total assets at fair value</i></b>	<b>\$ 475,093</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 475,093</b>

# PROJECT CITIZENSHIP, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2024 and 2023*

#### *Note 9. Line of Credit*

The Organization has a \$150,000 line of credit agreement with a bank. Borrowings under the agreement are due on demand based off the Wall Street Journal Prime Rate, minus 0.25%. For the years ended December 31, 2024 and 2023, interest is 7.25% and 7.75%, respectively. There is no outstanding balance for either year.

#### *Note 10. Subsequent Events*

The Organization has evaluated subsequent events through March 28, 2025 which is the date the financial statements were available to be issued.



***Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards***

To the Board of Directors  
***Project Citizenship, Inc.***  
Boston, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Project Citizenship, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2025.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Project Citizenship, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Project Citizenship, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Project Citizenship, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kelly Vitale Raffol, LLC*

Boston, Massachusetts  
March 28, 2025