

ATTORNEY GRIEVANCE COMMISSION
OF MARYLAND
Annapolis, Maryland

AUDITED FINANCIAL STATEMENTS
June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Attorney Grievance Commission of Maryland

Opinion

We have audited the financial statements of the Attorney Grievance Commission of Maryland (the Commission), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of budget, receipts, expenditures, and fund balances, 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 the Commission as of June 30, 2025 and 2024, and the changes in its fund balances 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 the Commission 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 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, that raise substantial doubt about the Commission's ability to continue as a going concern for one year after the date that the financial statements are 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.

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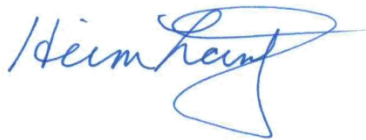
In performing an audit in accordance with GAAS, we:

- 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 the Commission'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 the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in blue ink, appearing to read "HeimLantz", with a stylized flourish at the end.

HeimLantz CPAs & Advisors, LLC
Annapolis, Maryland

September 12, 2025

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 and 2024

ASSETS		
	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 373,440	\$ 679,317
Certificates of deposit - short-term	3,000,000	3,500,000
Accounts receivable - Client Protection Fund	99,994	97,211
Prepaid expenses	65,076	6,247
TOTAL CURRENT ASSETS	3,538,510	4,282,775
NON-CURRENT ASSETS		
Property and equipment, net	557	3,336
Right of use asset	1,749,445	223,483
Security deposits	20,020	20,020
TOTAL NON-CURRENT ASSETS	1,770,022	246,839
TOTAL ASSETS	\$ 5,308,532	\$ 4,529,614
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable	\$ 75,006	\$ 70,345
Pension payable	356,584	158,895
Accrued compensated absences	180,933	164,002
Lease obligation - current portion	83,682	229,342
TOTAL CURRENT LIABILITIES	696,205	622,584
LONG-TERM LIABILITIES		
Lease obligation	1,665,763	-
Retiree health insurance credit plan	992,461	996,382
TOTAL LONG-TERM LIABILITIES	2,658,224	996,382
TOTAL LIABILITIES	3,354,429	1,618,966
FUND BALANCES		
Restricted fund balance	-	815,726
Unrestricted fund balance	1,954,103	2,094,922
TOTAL FUND BALANCES	1,954,103	2,910,648
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,308,532	\$ 4,529,614

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

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF BUDGET, RECEIPTS, EXPENDITURES AND FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	<u>2025</u>			<u>2024</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
COMMISSION RECEIPTS				
Attorney assessments	\$ 4,725,619	\$ 4,730,880	\$ (5,261)	\$ 4,721,850
Investment income	182,455	175,000	7,455	241,141
Recovered court costs	38,480	45,000	(6,520)	27,896
TOTAL RECEIPTS	<u>4,946,554</u>	<u>4,950,880</u>	<u>(4,326)</u>	<u>4,990,887</u>
COMMISSION EXPENSES				
Personnel costs	4,115,609	4,181,813	(66,204)	3,272,698
Case management costs	111,528	232,000	(120,472)	88,707
Staff support	89,941	81,000	8,941	59,770
Outside services	115,647	119,600	(3,953)	102,108
Information technology support	241,534	219,000	22,534	232,319
Office expense	275,250	331,495	(56,245)	303,009
Court mandated costs	137,864	160,318	(22,454)	131,236
TOTAL EXPENDITURES	<u>5,087,373</u>	<u>5,325,226</u>	<u>(237,853)</u>	<u>4,189,847</u>
INCREASE (DECREASE) IN FUND BALANCES	<u>\$ (140,819)</u>	<u>\$ (374,346)</u>	<u>\$ 233,527</u>	<u>\$ 801,040</u>
FUND BALANCES, BEGINNING OF YEAR	2,910,648			3,823,130
RESTRICTED FUND BALANCE, PRIOR YEAR	(815,726)			(1,713,522)
RESTRICTED FUND BALANCE, CURRENT YEAR	-			815,726
UNRESTRICTED FUND BALANCE	<u>1,954,103</u>			<u>2,094,922</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,954,103</u>			<u>\$ 2,910,648</u>

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

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Increase (decrease) in fund balances:	\$ (140,819)	\$ 801,040
Adjustments to reconcile increase (decrease) in unrestricted fund balances to cash provided by (used in) operating activities		
Depreciation	2,779	7,447
Net change in ROU asset and lease liability	(5,859)	(5,859)
(Increase) decrease in:		
Accounts receivable - Client Protection Fund	(2,783)	(2,116)
Prepaid expenses	(58,829)	11,028
Increase (decrease) in:		
Accounts payable	4,661	62,700
Pension payable	197,689	(224,689)
Accrued compensated absences	16,931	(58,498)
Retiree health insurance credit plan	(3,921)	141,529
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,849</u>	<u>732,582</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from investments held to maturity	500,000	750,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>500,000</u>	<u>750,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Court ordered transfer to the Client Protection Fund	(815,726)	(1,713,522)
NET CASH USED IN FINANCING ACTIVITIES	<u>(815,726)</u>	<u>(1,713,522)</u>
NET DECREASE IN CASH	<u>(305,877)</u>	<u>(230,940)</u>
CASH AT BEGINNING OF YEAR	<u>679,317</u>	<u>910,257</u>
CASH AT END OF YEAR	<u><u>\$ 373,440</u></u>	<u><u>\$ 679,317</u></u>

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

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Nature of the Commission

The Attorney Grievance Commission of Maryland (the Commission) was authorized and created by the Supreme Court of Maryland on February 10, 1975 to oversee the conduct of both Maryland lawyers and nonmembers of the Maryland Bar who engage in the practice of law in the State. The Commission investigates and, where indicated, prosecutes attorneys whose conduct violates the Maryland Attorneys' Rules of Professional Conduct as well as those engaged in the unauthorized practice of law.

Basis of Accounting

As an instrumentality of the Supreme Court of Maryland, the Commission maintains its accounting records on a basis consistent with generally accepted accounting principles. The Commission's funds are used to account for the proceeds of revenue sources that are restricted to expenditures for specific purposes.

Revenue and Revenue Recognition

Attorney assessments are the Commission's primary source of revenue. Assessments are received through payments made by individual attorneys to the Client Protection Fund of the Bar of Maryland (CPF) on a billing which includes assessments for CPF and the Commission. These annual assessments are required by the Maryland Judiciary for any individual admitted to practice before the Supreme Court of Maryland or issued a certificate of special authorization pursuant to Title 19, Chapter 200 of the Maryland Rules.

Since there is no requirement that an individual remain admitted to practice law in the State of Maryland, assessments are deemed to be revenue only when collected. When assessments are collected by the CPF, but not yet remitted to the Commission, they appear as a receivable on these financial statements. Based on prior experience, management feels that all amounts will be collected; therefore, there is no allowance for doubtful accounts included in these financial statements. The assessment collected by the Commission for each attorney in practice was \$110 for the years ended June 30, 2025 and June 30, 2024. The number of practicing attorneys as of June 30, 2025 and 2024 was 44,310 and 43,717, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Commission is an instrumentality of the Supreme Court of Maryland and as such is not subject to income taxes. Accordingly, no provision has been made. The Commission believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in checking and money market accounts with original maturities of less than ninety days.

Investments

The Commission invests solely in brokered, negotiable, certificates of deposit. Because the certificates of deposit are purchased in increments of \$250,000 or less, they are fully insured by the FDIC. Accordingly, there is virtually no risk of gain or loss if the investments are held to maturity.

Management intends to hold all certificates of deposit to maturity. In accordance with FASB ASC 825, *Financial Instruments – Overall*, these investments are carried at cost.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 and 2024

Any certificates of deposit that mature within one year of the financial statement date are classified on the statement of financial position as “certificates of deposit - short-term” and those with maturity dates greater than one year after the financial statement date are classified “certificates of deposit – long-term”.

Property and Equipment

Acquisitions of equipment and furniture and all expenditures for repairs, maintenance, and betterments costing \$2,500 or greater that materially prolong the useful lives of assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Equipment and furniture are stated at cost, less accumulated depreciation. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to thirty-nine years. Leasehold improvements are amortized on the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Compensated Absences

The Commission accrues a liability for certain sick leave, and all annual leave which has been earned but not taken by the employees. Employees can earn a maximum of 25 days for annual leave per year. Annual leave can be accumulated up to 35 days. There is no requirement that annual leave be taken in the year earned. Upon termination, employees are paid for any accumulated annual leave. Employees hired prior to January 1, 1989 are reimbursed one third of accumulated sick leave, up to 60 days upon termination. Employees hired after 1988 are not reimbursed for accumulated sick leave. As of June 30, 2025, there are only two current employees hired prior to January 1, 1989.

Leases

The Commission leases office space and determines if an arrangement is a lease at inception. Operating leases are reported as a right of use asset and lease liability on the statements of financial position. A right of use asset represents the right to use an underlying asset for the lease term, and a lease liability represents the obligation to make lease payments arising from the lease.

Right of use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As a practical expedient, the Commission uses the U.S. Bank Prime Loan Rate in determining the present value of lease payments. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Commission will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Commission’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

See Note 5 for additional information regarding the calculations of the lease liability and right of use asset.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2025	2024
Computer equipment	\$ 68,643	\$ 113,883
Furniture and fixtures	88,202	88,202
Leasehold improvements	17,390	17,390
Software	118,796	118,796
Total property and equipment	293,031	338,271
Less accumulated depreciation	(292,474)	(334,935)
Property and equipment, net	\$ 557	\$ 3,336

Depreciation expense for the periods ending June 30, 2025 and 2024 was \$2,779 and \$7,447 respectively.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 and 2024

NOTE 3 - PENSION PLAN

The Commission sponsors a trustee defined contribution pension plan covering substantially all employees meeting minimum age and service requirements. Contributions to the plan for the years ended June 30, 2025 and 2024 were \$356,584 and \$158,895 respectively. This amount is equal to 15% of the participant's compensation. For periods ending June 30, 2025 and 2024, the amount owed by the Commission to the plan was \$356,584 and \$158,895 respectively.

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS

On September 1, 2012 the Commission adopted an Other Post-Employment Benefit Plan (OPEB) to provide health insurance reimbursement benefits to eligible retirees and their surviving spouses. The official name of the plan is “The Attorney Grievance Commission of Maryland Retiree Health Insurance Credit Plan.” Eligible retirees include employees with at least ten years of service and have attained age fifty-five, or persons who have become disabled and are receiving benefits under the terms of the Social Security Act. Surviving spouses must have been covered under this plan at the time of the retiree’s death and enroll in the Plan on the first day of the month following the death of the covered retiree. Plan benefits will be paid directly by the Commission to the retiree at a rate of the lesser of \$5,250 annually or their actual health insurance premiums.

An actuarial valuation is performed to determine the outstanding “Net OPEB Liability” on an annual basis. This valuation is performed as of the final day of the prior year, and reflects what the Commission’s liability would be if all eligible employees terminated employment at that date. See below for key actuarial and balance information for the most recent valuation.

Key Actuarial Factors

Actuarial cost method	Entry age normal cost method
Discount rate	3.97%
Actuarial valuation date	June 30, 2024

The “2024 Net OPEB Liability” was calculated as \$1,045,446. See **Appendix A** for additional information regarding how this figure was calculated, as well as additional disclosures required under GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*.

During the year ended June 30, 2025, the Commission made payments of \$52,985 to current retirees, thereby reducing the OPEB liability to \$992,461, as of June 30, 2025. This balance is reflected on the statement of financial position as “retiree health insurance credit plan”.

NOTE 5 – LEASE COMMITMENT

The Commission leases office space in Annapolis, MD. The lease calls for monthly rental payments beginning on July 1, 2016. In addition to lease payments, the Commission is responsible for their portion of common area maintenance and property tax of approximately \$900 per month. The lease is an operating lease with an original end date of June 30, 2025.

On February 2, 2025 the Commission signed an amendment to extend the lease for 10 years and 2 months, with a new end date of August 31, 2035.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 and 2024

Future minimum rental payments required under the operating lease agreements are as follows:

Year ending June 30,	
2026	\$ 214,890
2027	257,868
2028	257,868
2029	257,868
2030	257,868
Thereafter	1,332,318
	<u>\$ 2,578,680</u>

Calculation of lease liability and right of use asset

As described in Note 1, right of use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Commission used a discount rate of 7.5% to calculate the present value of the lease liability. The corresponding right of use asset is calculated to be equal and offsetting to the lease liability, and then adjusted for any other pre-existing lease balances (e.g. deferred lease liabilities, pre-paid rent, etc). Specific calculations are as follows:

Future minimum cash flows	\$ 2,578,680
Unamortized discount, to arrive at present value	(829,235)
Lease liability	<u>\$ 1,749,445</u>
Deferred lease liability	-
Right of use asset	<u>\$ 1,749,445</u>

The weighted average lease term and discount rate as of June 30, 2025 are 10.2 years and 7.5%, respectively.

NOTE 6 – BONDS

The Commission has a \$6,000,000 blanket crime protection insurance policy in effect for employee dishonesty.

NOTE 7 - RELATED PARTY TRANSACTIONS

Revenue

The Commission has significant transactions with the Client Protection Fund of the Bar of Maryland (CPF), an instrumentality of the State of Maryland. All attorney assessments are collected by CPF and the Commission's portion is transferred monthly by check. At year end, CPF owed the Commission attorney assessments in the amount of \$440 and \$1,980 at June 30, 2025 and 2024, respectively.

Reimbursable Expenses

The Commission provided office space, salary and benefits to three CPF employees. CPF reimburses the Commission for these expenses on a quarterly basis. During the years ending June 30, 2025 and 2024, the Commission was paid \$390,174 and \$379,198, respectively, by CPF for fees incurred for salaries, benefits and lease expenses. At June 30, 2025 and 2024, CPF owed reimbursements to the Commission in the amount of \$99,554 and \$95,231, respectively.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 and 2024

NOTE 8 – CONTINGENCIES

Prior to the 2014 fiscal year, the Supreme Court of Maryland, at its discretion, was permitted to order a transfer of funds from the Commission to court related agencies. On March 13, 2014 an Administrative Order was issued by the Supreme Court of Maryland, requiring the Commission to maintain a fund balance of 75% of the prior year's fiscal expenditures. Any excess fund balance would be due to the Client Protection Fund of the Bar of Maryland (CPF), as of 30 days following the issuance of annual audited financial statements.

On March 3, 2023 an Administrative Order was issued by the Supreme Court of Maryland, to change the formula used to calculate the excess fund balance. Under the revised formula, the Supreme Court of Maryland requires that the Commission maintains an annual carryover balance totaling at least 25% but no more than 50% of its prior fiscal year expenditures. Under the current order, there are three potential scenarios for the fund balance each year:

<i>#</i>	<i>Percent of prior year's fiscal expenditures</i>	<i>Type of transfer required</i>
1	Under 25%	CPF to transfer deficit amount to the Commission
2	Over 50%	The Commission to transfer excess amount to CPF
3	Between 25% and 50%	No transfers required

Transfers to/from CPF, if required, are due as of 30 days following the issuance of annual audited financial statements. In addition, the aggregate amount of all transfers received from CPF may never exceed the aggregate amount of all transfers paid to CPF. For this purpose, the aggregate amount of all transfers paid to CPF includes payments made before and after March 2, 2023 – the date of the current Administrative Order.

Per this Order, at June 30, 2025 and 2024, the Commission was (due)/owed \$0 and \$815,726 to CPF, respectively. These amounts are reported as "Restricted Fund Balance" on the Statements of Financial Position.

The calculation for current year fund balance excess/(deficit) is as follows:

Beginning fund balance	\$ 2,910,648
Plus net income/(loss):	(140,819)
Less balance paid for prior year:	(815,726)
Ending fund balance	<u>\$ 1,954,103</u>
 Total FY 2025 expenditures	 \$ 5,087,373
50% of Total expenditures	2,543,686
25% of Total expenditures	1,271,843
 Fund balance excess/(deficit), June 30, 2025	 <u><u>\$ -</u></u>

NOTE 9 – MANAGEMENT'S SUBSEQUENT REVIEW

The Commission has evaluated subsequent events through September 12, 2025, the date which the financial statements were available to be issued, and no events were noted that would materially impact the financial statements.

Appendix A

Additional Required Disclosures

Note to reader:

The following schedules are required disclosures related to the OPEB Liability (ex. change in liability, and changes to actuarial expectations and assumptions.) A table of contents for this appendix can be found below.

Please refer to “**Note 4**” on Page 10 of these financial statements for a summary of key information related to the OPEB Liability, including the ending liability balance and key actuarial factors.

<u>Required disclosures</u>	<u>Page</u>
Change in Net OPEB Liability <i>Reports changes from beginning to ending balance</i>	14
OPEB Expense <i>Reports current period OPEB expense build-up</i>	15
Sensitivity to Total and Net OPEB Liability <i>Provides illustrative calculations of liability if future actual costs are 1% higher or lower than expected</i>	16
Deferred Inflows/Outflows of Resources Related to OPEB <i>Summary of adjustments to future expense estimates – see pages 17-19 for detailed reports</i>	17
Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments <i>No differences between projected and actual earnings</i>	18
Schedule of Differences between Expected and Actual Experience <i>Reports the application of expected-vs-actual adjustments by year</i>	19
Schedule of Changes of Assumptions <i>Reports the application of assumption adjustments by year</i>	20
Schedule of Changes in the Total Liability and Related Ratios <i>Reports liability and payment information by year</i>	21

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2025

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2023 for FYE 2024	\$1,047,628	\$0	\$1,047,628
Changes for the Year			
Service Cost	33,753		33,753
Interest	39,210		39,210
Changes of Benefit Terms	0		0
Experience Losses/(Gains)	(12,247)		(12,247)
Trust Contribution - Employer		51,383	(51,383)
Net Investment Income		0	0
Changes in Assumptions	(11,515)		(11,515)
Benefit Payments (net of retiree contributions)	(51,383)	(51,383)	0
Administrative Expense		0	0
Net Changes	(2,182)	0	(2,182)
Balance as of June 30, 2024 for FYE 2025	\$1,045,446	\$0	\$1,045,446
Funded status		0.00%	

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2025

OPEB Expense

1. Service Cost	\$	33,753
2. Interest		39,210
3. Projected Earnings on OPEB Trust		0
4. OPEB Administrative Expense		0
5. Changes in Benefit Terms		0
6. Differences Between Expected and Actual Earnings		
In Current Fiscal Year Recognized in Current Year		0
From Past Years Recognized in Current Year		0
Total		0
7. Differences Between Expected and Actual Experience		
In Current Fiscal Year Recognized in Current Year		(1,531)
From Past Years Recognized in Current Year		(13,994)
Total		(15,525)
8. Changes in Assumptions		
In Current Fiscal Year Recognized in Current Year		(1,439)
From Past Years Recognized in Current Year		(18,763)
Total		(20,202)
9. Total OPEB Expense	\$	37,236

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2025

Sensitivity of Total and Net OPEB Liability

The following table presents Attorney Grievance Commission's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher.

Discount Rate	1% Decrease 2.97%	Baseline 3.97%	1% Increase 4.97%
Total OPEB Liability	\$1,158,461	\$1,045,446	\$949,016
Net OPEB Liability/(Asset)	\$1,158,461	\$1,045,446	\$949,016

The following table presents Attorney Grievance Commission's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher.

Ultimate Trend	1% Decrease 2.94%	Baseline 3.94%	1% Increase 4.94%
Total OPEB Liability	\$935,356	\$1,045,446	\$1,177,587
Net OPEB Liability/(Asset)	\$935,356	\$1,045,446	\$1,177,587

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2025

Deferred Inflows/Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2025, Attorney Grievance Commission recognized an OPEB expense of \$37,236. At June 30, 2025, Attorney Grievance Commission reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 74,445
Changes of assumptions	93,202	220,494
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to measurement date	TBD	
Total	\$ 93,202	\$ 294,939

An amount to be determined will be reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

Fiscal Year Ended June 30	Measurement Date	Earnings (Inflow)/Outflow
2026	6/30/2025	\$ (35,727)
2027	6/30/2026	(35,729)
2028	6/30/2027	(30,925)
2029	6/30/2028	(27,209)
2030	6/30/2029	(30,054)
Thereafter	6/30/2030 and after	(42,093)

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2025

Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

In conformity with paragraph 86b of Statement 75, the effects of differences between projected and actual earnings on OPEB plan investments are recognized in collective OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. The following table illustrates the application of this requirement.

Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Projected and Actual Earnings on OPEB Plan Investments												
Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029
Prior	\$ -	5	\$ -	-	-	-	-	-	-	-	-	-
2021	-	5	\$ -	\$ -	-	-	-	-	-	-	-	-
2022	-	5	-	\$ -	-	-	-	-	-	-	-	-
2023	-	5	-	-	\$ -	-	-	-	-	-	-	-
2024	-	5	-	-	-	\$ -	-	-	-	-	-	-
2025	-	5	-	-	-	-	\$ -	-	-	-	-	-
Net increase (decrease) in OPEB expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on OPEB Plan Investments

				Balances at June 30, 2024	
Year	Investment Earnings Less than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in OPEB Expense Through June 30, 2024 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
Prior	\$ -	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
				\$ -	\$ -

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2025

Schedule of Differences between Expected and Actual Experience

In conformity with paragraph 86a of Statement 75, the effects of differences between expected and actual experience are recognized in collective OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Expected and Actual Experience															
Year	Differences between Expected and Actual Experience	Recognition Period (Years)	Prior	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Thereafter
Prior	\$ (32,870)	10	\$ (3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	-	-	-
2020	(25,525)	10		\$ (2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,548)		
2021	(4,067)	10			\$ (407)	(407)	(407)	(407)	(407)	(407)	(407)	(407)	(407)	(404)	-
2022	(43,574)	9				\$ (4,842)	(4,842)	(4,842)	(4,842)	(4,842)	(4,842)	(4,842)	(4,842)	(4,838)	-
2023	(8,241)	9					\$ (916)	(916)	(916)	(916)	(916)	(916)	(916)	(916)	(913)
2024	(15,908)	8						\$ (1,989)	(1,989)	(1,989)	(1,989)	(1,989)	(1,989)	(1,989)	(1,985)
2025	(12,247)	8							\$ (1,531)	(1,531)	(1,531)	(1,531)	(1,531)	(1,531)	(3,061)
Net Increase (decrease) in OPEB expense			\$ (3,287)	\$ (5,840)	\$ (6,247)	\$ (11,089)	\$ (12,005)	\$ (13,994)	\$ (15,525)	\$ (15,525)	\$ (15,525)	\$ (15,525)	\$ (12,233)	\$ (9,678)	\$ (5,959)

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience

Year	Experience		Amounts Recognized in OPEB Expense Through June 30, 2024	Balances at June 30, 2024	
	Losses (a)	Gains (b)		Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
Prior	\$ -	\$ 32,870	\$ 23,009	\$ -	\$ 9,861
2020	-	25,525	15,318	-	10,207
2021	-	4,067	2,035	-	2,032
2022	-	43,574	19,368	-	24,206
2023	-	8,241	2,748	-	5,493
2024	-	15,908	3,978	-	11,930
2025	-	12,247	1,531	-	10,716
				\$ -	\$ 74,445

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APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2025

Schedule of Changes of Assumptions

In conformity with paragraph 86a of Statement 75, the effects of changes of assumptions should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

Increase (Decrease) in OPEB Expense Arising from the Effects of Changes of Assumptions															
Year	Changes of Assumptions	Recognition Period (Years)	Prior	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Thereafter
Prior	\$ (52,302)	10	(10,032)	(5,230)	(5,230)	(5,230)	(5,230)	(5,230)	(5,230)	(5,230)	\$ (5,232)	(428)	-	-	
2020	53,976	10		\$ 5,398	5,398	5,398	5,398	5,398	5,398	5,398	5,398	5,398	5,394		
2021	85,418	10			\$ 8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,542	8,540	-
2022	52,034	9				\$ 5,782	5,782	5,782	5,782	5,782	5,782	5,782	5,782	5,778	-
2023	(216,585)	9					\$ (24,065)	(24,065)	(24,065)	(24,065)	(24,065)	(24,065)	(24,065)	(24,065)	(24,065)
2024	(73,518)	8						\$ (9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,188)
2025	(11,515)	8							\$ (1,439)	(1,439)	(1,439)	(1,439)	(1,439)	(1,439)	(2,881)
Net increase (decrease) in OPEB expense			\$ (10,032)	\$ 168	\$ 8,710	\$ 14,492	\$ (9,573)	\$ (18,763)	\$ (20,202)	\$ (20,202)	\$ (20,204)	\$ (15,400)	\$ (14,976)	\$ (20,376)	\$ (36,134)

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes of Assumptions

Year	Increases in the Total OPEB Liability (a)	Decreases in the Total OPEB Liability (b)	Amounts Recognized in OPEB Expense Through June 30, 2024 (c)	Balances at June 30, 2024	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
Prior	-	52,302	41,412	-	10,890
2020	53,976	-	32,388	21,588	-
2021	85,418	-	42,710	42,708	-
2022	52,034	-	23,128	28,906	-
2023	-	216,585	72,195	-	144,390
2024	-	73,518	18,380	-	55,138
2025	-	11,515	1,439	-	10,076
				\$ 93,202	\$ 220,494

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
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Schedule of Changes in the Total Liability and Related Ratios

Changes in Employer's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

Information for FYE 2016 and earlier is not available

Disclosure for Fiscal Year Ending:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Total OPEB Liability										
Service Cost	\$ 33,753	\$ 25,690	\$ 37,646	\$ 43,009	\$ 35,343	\$ 39,485	\$ 39,422	\$ 42,932	\$ -	\$ -
Interest Cost	39,210	32,261	20,733	25,577	29,333	31,845	31,258	25,234	-	-
Changes in Benefit Terms	-	224,230	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(12,247)	(15,908)	(8,241)	(43,574)	(4,067)	(25,525)	(32,870)	-	-	-
Changes of Assumptions	(11,515)	(73,518)	(216,585)	52,034	85,418	53,976	(4,280)	(48,022)	-	-
Benefit Payments	(51,383)	(43,076)	(39,139)	(39,139)	(39,214)	(38,682)	(28,927)	(24,441)	-	-
Net Change in Total OPEB Liability	(2,182)	149,699	(205,586)	37,907	106,813	61,099	4,603	(4,297)	-	-
Total OPEB Liability - Beginning of Year	1,047,628	897,929	1,103,515	1,065,608	958,795	897,696	893,093	897,390	-	-
Total OPEB Liability - End of Year	1,045,446	1,047,628	897,929	1,103,515	1,065,608	958,795	897,696	893,093	-	-

Plan Fiduciary Net Position

Last 10 Fiscal Years

Information for FYE 2016 and earlier is not available

Disclosure for Fiscal Year Ending:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contributions - Employer	\$ 51,383	\$ 43,076	\$ 39,139	\$ 39,139	\$ 39,214	\$ 38,682	\$ 28,927	\$ 24,441	\$ -	\$ -
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments (net of retiree contributions)	(51,383)	(43,076)	(39,139)	(39,139)	(39,214)	(38,682)	(28,927)	(24,441)	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	-	-	-	-	-	-	-	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fiduciary Net Position - End of Year	-	-	-	-	-	-	-	-	-	-
Net OPEB Liability	1,045,446	1,047,628	897,929	1,103,515	1,065,608	958,795	897,696	893,093	-	-
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-
Covered-Employee Payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	8	8	9	9	10	10	10	10	-	-

Notes to Schedule:

Benefit changes: None.

Changes of assumptions: The discount rate was changed as follows:

The discount rate changes year-to-year: 3.97% 3.86% 3.69% 1.92% 2.45% 3.13% 3.62% 3.58% N/A N/A

^{1/} Because this OPEB plan does not depend on salary, we do not have salary information.