

**CALIFORNIA WOMEN'S LAW CENTER
FINANCIAL STATEMENTS
JUNE 30, 2017**



3005 Douglas Blvd., Ste. 115

Roseville, CA 95661

(916) 774-1040

(916) 774-1177 Fax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Women's Law Center
El Segundo, California

We have audited the accompanying financial statements of California Women's Law Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Women's Law Center as of June 30, 2017, 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.

A handwritten signature in black ink that reads "Boden Klein & Sneesby". The signature is written in a cursive, flowing style.

BODEN KLEIN & SNEESBY
Certified Public Accountants
Roseville, California

October 26, 2017

CALIFORNIA WOMEN'S LAW CENTER
Statement of Financial Position
June 30, 2017

ASSETS

Current assets:	
Cash	\$ 1,841,957
Investments	851,599
Receivables	15,695
Prepaid expenses	<u>7,074</u>
Total current assets	<u>2,716,325</u>
Property and equipment:	
Office equipment	70,825
Office furniture	<u>9,292</u>
Total property and equipment	80,117
Less: accumulated depreciation	<u>78,959</u>
Property and equipment, net	<u>1,158</u>
Other assets:	
Deposits	<u>4,474</u>
TOTAL ASSETS	<u>\$ 2,721,957</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 500
Accrued expenses	4,500
Line of credit	<u>2,396</u>
Total current liabilities	7,396
Net assets:	
Unrestricted	<u>2,714,561</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,721,957</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER
Statement of Activities
For the Year Ended June 30, 2017

Support and revenues:	\$ 174,089
Contributions - IOLTA/Equal Access	12,960
Contributions - individuals and corporations	71,127
Foundation grants	
Fundraising events, net of related expenses of \$25,526	118,164
Court awarded fees	1,658,806
Miscellaneous income	7,081
Realized gain on investments	18,863
Unrealized gain on investments	34,335
Interest income	<u>23,218</u>
Total support and revenues	<u>2,118,643</u>
Expenses:	
Program services	457,432
Supporting services	27,063
Fundraising	<u>36,747</u>
Total expenses	<u>521,242</u>
Change in net assets	1,597,401
Net assets, July 1, 2016	<u>1,117,160</u>
NET ASSETS, JUNE 30, 2017	<u>\$ 2,714,561</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Functional Expenses

For the Year Ended June 30, 2017

	Program Services	Supporting Services	Fundraising	Total
Expenses:				
Audit	\$ -	\$ 5,700	\$ -	\$ 5,700
Bank charges	10,063	1,118	-	11,181
Bookkeeping	-	7,200	-	7,200
Contract personnel	33,048	-	-	33,048
Depreciation	516	57	-	573
Dues and subscriptions	6,687	743	-	7,430
Equipment rental	67	7	-	74
Insurance	2,542	282	-	2,824
Interest	-	245	-	245
Miscellaneous expenses	2,703	300	-	3,003
Office expense/supplies	1,852	206	-	2,058
Outside services	784	-	-	784
Payroll benefits	23,774	270	2,972	27,016
Payroll service fees	2,532	402	154	3,088
Payroll taxes	21,320	237	2,132	23,689
Postage and shipping	419	145	81	645
Printing and publications	1,622	374	499	2,495
Promotion	11,327	-	-	11,327
Rent and parking	51,604	6,071	3,036	60,711
Retirement contribution	14,175	157	1,418	15,750
Salaries	259,374	2,882	25,937	288,193
Telephone	5,488	645	323	6,456
Training	3,243	-	-	3,243
Travel	2,341	-	-	2,341
Workers' compensation	1,951	22	195	2,168
TOTAL EXPENSES	<u>\$ 457,432</u>	<u>\$ 27,063</u>	<u>\$ 36,747</u>	<u>\$ 521,242</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER
Statement of Cash Flows
For the Year Ended June 30, 2017

Cash flow from operating activities:	\$ 1,597,401
Change in net assets	573
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	(53,198)
Investments gains	
Changes in operating assets and liabilities:	
Receivables	(24)
Prepaid expenses	(2,420)
Accounts payable	(2,576)
Accrued expenses	4,500
Net cash provided by operating activities	<u>1,544,256</u>
 Cash flow from investing activities:	
Proceeds from sale of investments	542,766
Purchases of investments	<u>(1,185,352)</u>
Net cash used in investing activities	<u>(642,586)</u>
 Cash flow from financing activities:	
Net borrowings on line of credit	<u>(8,699)</u>
Increase in cash	892,971
Cash at beginning of year	<u>948,986</u>
CASH AT END OF YEAR	<u>\$ 1,841,957</u>
 <u>Supplemental disclosures</u>	
Cash paid for:	
Interest	<u>\$ 245</u>
Income taxes	<u>\$ -</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER
Notes to Financial Statements
June 30, 2017

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting entity -

The California Women's Law Center (the Center) was established to break down barriers and advance the potential of women and girls through transformative litigation, policy advocacy and education. To achieve its purpose, the Center provides technical support in these areas to legal service firms and private attorneys, community organizations, governmental agencies and direct service providers in the form of materials, training, amicus briefs, conferences, other aid and advice, and engages in advocacy.

b. Description of Major Program Funds -

The State Bar of California's Equal Access Fund grant promotes the Center's work addressing the unique needs of women veterans and their families.

The State Bar IOLTA grant promotes the Center's work supporting direct legal service providers throughout California.

c. Standards of reporting -

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The Center reports its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted or permanently restricted.

Unrestricted net assets represent net assets not subject to donor imposed restrictions and are available to support the Center's activities and operations at the discretion of management and the Board of Directors. Temporarily restricted net assets represent net assets subject to donor imposed stipulations that are met either by satisfying the stipulation or through the passage of time. When a donor imposed restriction is met or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities as net assets released from restrictions. It is the policy of the Organization to record restricted support as unrestricted support when the donor-imposed restrictions have been satisfied within the same reported period. At June 30, 2017, the Center had no temporarily restricted or permanently restricted net assets.

d. Use of Estimates -

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2017

e. Receivables -

Management estimates that all receivables are fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

f. Investments -

The Center reports investments in equity securities with readily determinable fair values and all debt securities at fair value. Other investments are carried at cost. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

g. Property and equipment -

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight line method over five years.

h. Income Taxes -

The Center is a non profit organization exempt from income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Code. There was no impact on the Center's financial statements relating to uncertain tax positions. The Center's tax returns remain subject to examination from the various taxing authorities for up to four years.

i. Donated Services -

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the period received.

j. Functional Expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated on the basis of benefits received.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2017

k. Fair value hierarchy -

FASB ASC 820, *Fair Value Measurement* provides guidance for measuring the fair value of assets and liabilities. The objective of a fair value measurement is to determine the price that would be received when selling an asset or paid when transferring a liability. The guidance outlines a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below.

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

NOTE 2 - INVESTMENTS:

Investments are stated at fair value and are all being measured under Level 1 inputs under the fair value hierarchy. At June 30, 2017 investments consisted of \$471,859 of bond funds, \$266,775 of equity funds and \$112,965 of exchange traded funds.

NOTE 3 - LINE OF CREDIT:

The Center has an available line of credit up to \$150,000 with Wells Fargo Bank, of which \$2,396 was outstanding at June 30, 2017. The line of credit requires monthly payments based on the balance outstanding with periodic finance charges at the average daily balance (approximately 10% per annum at June 30, 2017). The credit line continues unless called by the bank.

NOTE 4 - CONCENTRATION OF CREDIT RISK:

The Center's cash is maintained at various financial institutions. The Center has exposure to credit risk to the extent that its cash exceeds amounts covered by federal deposit insurance. The Center believes that its credit risk, if any, is not significant.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2017

NOTE 5 - RETIREMENT PLAN:

The Center participates in a SEP-IRA arrangement under which the Center allows discretionary contributions towards an employee's individual retirement account or annuity (IRA) of up to 5% per year. In order to participate, employees must have one years' service. The Center made contributions of \$15,750 to the plan for the year ended June 30, 2017. In addition, the Center offers a voluntary salary deferral plan under section 403(b).

NOTE 6 - COMMITMENTS:

The Center leases its premises under an operating lease which expires March 2019. The current monthly lease payment is \$4,344. Total rental expense for the year ended June 30, 2017 was \$50,995. The future annual operating lease commitment is as follows:

Fiscal Year Ending June 30,	
2018	\$ 52,518
2019	<u>40,269</u>
Total	<u>\$ 92,787</u>

NOTE 7 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through October 26, 2017, the date on which the financial statements were available to be issued.