

CALIFORNIA WOMEN'S LAW CENTER
FINANCIAL STATEMENTS
JUNE 30, 2020



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, 2020, 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, 2020, 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.



BODEN KLEIN & SNEESBY
Certified Public Accountants
Roseville, California

January 4, 2021

CALIFORNIA WOMEN'S LAW CENTER

Statement of Financial Position

June 30, 2020

ASSETS

Current assets:

Cash	\$ 427,275
Investments	2,707,081
Prepaid expenses	<u>14,921</u>
Total current assets	<u>3,149,277</u>

Property and equipment:

Office equipment	59,533
Office furniture	<u>9,292</u>
Total property and equipment	68,825
Less: accumulated depreciation	<u>68,033</u>
Property and equipment, net	<u>792</u>

Other assets:

Deposits	<u>4,474</u>
----------	--------------

TOTAL ASSETS \$ 3,154,543

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 3,551
Accrued expenses	3,713
PPP forgivable loan	65,690
Deferred revenue	46,503
Deferred rent liability	<u>21,650</u>
Total current liabilities	141,107

Net assets:

Without donor restrictions	<u>3,013,436</u>
----------------------------	------------------

TOTAL LIABILITIES AND NET ASSETS \$ 3,154,543

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Activities

For the Year Ended June 30, 2020

Support and revenues:	
Contributions - IOLTA/Equal Access	\$ 483,808
Contributions - individuals and corporations	33,497
Foundation grants	42,222
Fundraising events	22,200
Donated in-kind legal services	463,036
Court awarded fees	69,532
Miscellaneous income	2,099
Realized gain on investments	12,550
Unrealized gain on investments	65,938
Interest income	68,459
Total support and revenues	<u>1,263,341</u>
Expenses:	
Program services	1,056,429
Supporting services	68,309
Fundraising	57,452
Total expenses	<u>1,182,190</u>
Change in net assets	81,151
Net assets, July 1, 2019	<u>2,932,285</u>
NET ASSETS, JUNE 30, 2020	<u><u>\$ 3,013,436</u></u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Functional Expenses

For the Year Ended June 30, 2020

	Program Services	Supporting Services	Fundraising	Total
Expenses:				
Audit	\$ -	\$ 5,700	\$ -	\$ 5,700
Bank and investment charges	11,635	1,293	-	12,928
Bookkeeping	-	7,625	-	7,625
Contract personnel	87,238	340	-	87,578
Depreciation	13	-	-	13
Dues and subscriptions	6,385	710	-	7,095
In-kind legal services	458,427	4,609	-	463,036
Insurance	1,553	7,304	-	8,857
Miscellaneous expenses	50	-	55	105
Office expense/supplies	6,558	2,069	-	8,627
Outside services	30,321	1,150	-	31,471
Payroll benefits	21,212	1,527	3,485	26,224
Payroll service fees	2,170	241	-	2,411
Payroll taxes	23,082	1,662	3,793	28,537
Postage and shipping	1,248	139	-	1,387
Printing and publications	1,717	191	-	1,908
Promotion	8,704	-	-	8,704
Rent and parking	78,679	8,743	-	87,422
Retirement contribution	18,377	1,323	3,020	22,720
Salaries	285,118	20,525	46,849	352,492
Telephone	4,781	531	-	5,312
Training	4,747	2,196	-	6,943
Travel	2,895	322	-	3,217
Workers' compensation	1,519	109	250	1,878
TOTAL EXPENSES	<u>\$ 1,056,429</u>	<u>\$ 68,309</u>	<u>\$ 57,452</u>	<u>\$ 1,182,190</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Cash Flows
For the Year Ended June 30, 2020

Cash flow from operating activities:	
Change in net assets	\$ 81,151
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13
Investments gains	(78,488)
Changes in operating assets and liabilities:	
Receivables	16,000
Employee advances	818
Prepaid expenses	(13,013)
Accounts payable	807
Accrued expenses	(10,463)
Deferred revenue	46,503
Deferred rent liability	1,088
Net cash provided by operating activities	<u>44,416</u>
Cash flow from investing activities:	
Proceeds from sale of investments	203,737
Purchases of investments	(258,601)
Purchases of office equipment	(805)
Net cash used in investing activities	<u>(55,669)</u>
Cash flow from financing activities:	
Proceeds from PPP forgivable loan	<u>65,690</u>
Increase in cash	54,437
Cash, July 1, 2019	<u>372,838</u>
CASH, JUNE 30, 2020	<u><u>\$ 427,275</u></u>

Supplemental disclosures

Cash paid for:	
Interest	<u>\$ -</u>
Income taxes	<u>\$ -</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2020

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting entity -

The California Women's Law Center (the Center) was established to create a more just and equitable society by breaking down barriers and advancing 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.

The State Bar of California's Housing Grants promote the Center's work in addressing homelessness and protecting affordable housing in Los Angeles.

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 two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represents 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. Net assets with donor restrictions represents 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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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 net assets without donor restrictions when the donor-imposed restrictions have been satisfied within the same reported period. At June 30, 2020, the Center had no net assets with donor restrictions.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2020

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.

e. Receivables -

Receivables are stated at the amount management expects to collect from outstanding balances based on an evaluation of uncollected accounts, using the allowance method.

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 net assets without donor restrictions 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 IRC 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.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2020

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. Costs such as salaries and benefits are allocated based on time and effort.

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, 2020 investments consisted of \$1,464,310 of fixed income funds and \$1,242,771 of equity funds.

NOTE 3 - PPP FORGIVABLE LOAN:

The Organization received loan proceeds in the amount of \$65,690 under the Federal Payroll Protection Program (PPP). The note bears interest at 1% per annum, payable monthly for any portion not utilized for qualifying expenses, which include payroll costs, health care benefits, mortgage payments, rent, utilities and certain debt obligations. The Organization believes it has used the proceeds for qualifying expenses and anticipates the full amount of the loan will be forgiven.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2020

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.

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 8% per year. In order to participate, employees must have one years' service. The Center made contributions of \$22,720 to the plan for the year ended June 30, 2020. In addition, the Center offers a voluntary salary deferral plan under IRC section 403(b).

NOTE 6 - COMMITMENTS:

The Center leases its premises under an operating lease which expires July 31, 2022. The current monthly lease payment is \$7,318. Total rental expense for the year ended June 30, 2020 was \$81,897 including common area maintenance charges. The future annual operating lease commitment is as follows:

<u>Fiscal Year Ending June 30,</u>	
2021	\$ 91,133
2022	93,867
2023	<u>7,997</u>
Total	<u>\$ 192,997</u>

NOTE 7 - LIQUIDITY:

The following reflects the Center's financial assets as of the statement of financial position date.

Financial assets available to meet cash needs for general expenditures within one year, at June 30, 2020	<u>\$ 3,134,356</u>
--	---------------------

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2020

NOTE 8 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through January 4, 2021, the date on which the financial statements were available to be issued.

As the impacts of COVID 19 continue to evolve, it is unknown at this time what effects, if any, it may have on future assets, liabilities, support and revenues, and expenses of the Organization.