

CALIFORNIA WOMEN'S LAW CENTER
FINANCIAL STATEMENTS
JUNE 30, 2021



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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, 2021, 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, 2021, 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

March 16, 2022

CALIFORNIA WOMEN'S LAW CENTER

Statement of Financial Position

June 30, 2021

ASSETS

Current assets:

Cash	\$ 592,235
Investments	3,202,547
Receivables	103,425
Prepaid expenses	<u>15,302</u>
Total current assets	<u>3,913,509</u>

Property and equipment:

Office equipment	59,533
Office furniture	<u>9,292</u>
Total property and equipment	68,825
Less: accumulated depreciation	<u>68,194</u>
Property and equipment, net	<u>631</u>

Other assets:

Deposits	<u>4,474</u>
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TOTAL ASSETS \$ 3,918,614

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 1,725
PPP forgivable loan	78,090
Deferred revenue	216,179
Deferred rent liability	<u>12,764</u>
Total current liabilities	308,758

Net assets:

Without donor restrictions	<u>3,609,856</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 3,918,614

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Activities

For the Year Ended June 30, 2021

Support and revenues:

Contributions - IOLTA/Equal Access	\$ 353,412
Contributions - individuals and corporations	46,818
Private grants	142,750
Government grants	166,690
Fundraising events	8,321
Donated in-kind legal services	635,617
Special award	8,009
Court awarded fees	67,266
Realized gain on investments	43,695
Unrealized gain on investments	388,558
Interest income	<u>63,291</u>
Total support and revenues	<u>1,924,427</u>

Expenses:

Program services	1,203,424
Supporting services	62,049
Fundraising	<u>62,534</u>
Total expenses	<u>1,328,007</u>

Change in net assets	596,420
Net assets, July 1, 2020	<u>3,013,436</u>
NET ASSETS, JUNE 30, 2021	<u>\$ 3,609,856</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Functional Expenses

For the Year Ended June 30, 2021

	Program Services	Supporting Services	Fundraising	Total
Expenses:				
Audit	\$ -	\$ 5,700	\$ -	\$ 5,700
Bank charges	1,238	138	-	1,376
Bookkeeping	-	10,250	-	10,250
Contract personnel	38,480	220	-	38,700
Depreciation	161	-	-	161
Dues and subscriptions	7,699	-	-	7,699
In-kind legal services	635,617	-	-	635,617
Insurance	1,822	7,288	-	9,110
Office expense/supplies	4,077	360	-	4,437
Outside services	26,255	599	-	26,854
Payroll benefits	28,996	2,033	4,575	35,604
Payroll service fees	2,507	185	402	3,094
Payroll taxes	27,286	1,914	4,305	33,505
Postage and shipping	472	53	-	525
Printing and publications	1,135	126	-	1,261
Promotion	5,775	-	-	5,775
Rent and parking	76,907	8,545	-	85,452
Retirement contribution	15,072	1,057	2,378	18,507
Salaries	320,170	22,457	50,514	393,141
Telephone	6,746	750	-	7,496
Training	723	204	-	927
Travel	41	4	-	45
Workers' compensation	2,245	166	360	2,771
TOTAL EXPENSES	\$ 1,203,424	\$ 62,049	\$ 62,534	\$ 1,328,007

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Cash Flows

For the Year Ended June 30, 2021

Cash flow from operating activities:

Change in net assets	\$ 596,420
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	161
Investments gains	(432,253)
PPP loan forgiven	(65,690)
Changes in operating assets and liabilities:	
Receivables	(103,425)
Prepaid expenses	(381)
Accounts payable	(1,826)
Accrued expenses	(3,713)
Deferred revenue	169,676
Deferred rent liability	(8,886)
Net cash provided by operating activities	150,083

Cash flow from investing activities:

Proceeds from sale of investments	464,781
Purchases of investments	(527,994)
Net cash used in investing activities	(63,213)

Cash flow from financing activities:

Proceeds from PPP forgivable loan	78,090
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Increase in cash	164,960
Cash, July 1, 2020	427,275
CASH, JUNE 30, 2021	\$ 592,235

Supplemental disclosures

Non-cash financing activities:

PPP loan debt forgiveness	\$ 65,690
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Cash paid for:

Interest	\$ -
Income taxes	\$ -

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2021

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.

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 reporting period. At June 30, 2021, the Center had no net assets with donor restrictions.

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

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Notes to Financial Statements

June 30, 2021

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. Revenue recognition -

Contributions and grants are recognized in full when received or unconditionally pledged, in accordance with ASC 958-605, *Not-For-Profit Entities*, Revenue Recognition. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes.

Other revenue is recognized as revenue when received based on the uncertain nature of the timing and amount.

The Organization has adopted ASU 2014-09, which provides a single framework for revenue recognition. This adoption did not have a material impact on the recognition of revenue.

f. 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. There was no allowance balance at June 30, 2021 as management expects all receivables to be fully collectible.

g. 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.

h. 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.

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Notes to Financial Statements

June 30, 2021

i. 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.

j. 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.

k. 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 predominately based on time and effort.

l. 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.

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Notes to Financial Statements
June 30, 2021

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, 2021 investments consisted of \$1,385,727 of fixed income funds and \$1,816,820 of equity funds. Investment fees of \$12,311 are netted against investment income in the statement of activities.

NOTE 3 - 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 4 - GOVERNMENT GRANTS:

The Organization received loan proceeds in the amount of \$65,690 during fiscal year June 30, 2020 and \$78,090 during fiscal year June 30, 2021 under the Federal Payroll Protection Program (PPP). The notes bear 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 \$65,690 was forgiven during fiscal year ending June 30, 2021 and is included in government grant revenue. Additionally, the Organization believes it has used the \$78,090 for qualifying expenses and anticipates the full amount of the loan will be forgiven in the subsequent fiscal year.

In addition, the Organization amended payroll returns to obtain the employee retention credits available through the federal government and has recorded a receivable and revenue for \$101,000 related to these filings.

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 \$18,507 to the plan for the year ended June 30, 2021. In addition, the Center offers a voluntary salary deferral plan under IRC section 403(b).

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Notes to Financial Statements

June 30, 2021

NOTE 6 - COMMITMENTS:

The Center leases its premises under an operating lease which expires July 31, 2022. The current monthly lease payment is \$7,764. Total rental expense for the year ended June 30, 2021 was \$83,112 including common area maintenance charges. The future annual operating lease commitment is as follows:

<u>Fiscal Year Ending June 30,</u>	
2022	\$ 93,867
2023	<u>7,997</u>
Total	<u>\$ 101,864</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, 2021	<u>\$ 3,898,207</u>
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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.

NOTE 8 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 16, 2022, the date on which the financial statements were available to be issued.