

**THE WOMEN'S LAW CENTER  
OF MARYLAND, INC.**

AUDITED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

For the years ended June 30, 2019 and 2018

# THE WOMEN'S LAW CENTER OF MARYLAND, INC.

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
The Women's Law Center of Maryland, Inc.  
Towson, Maryland

We have audited the accompanying financial statements of The Women's Law Center of Maryland, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 The Women's Law Center of Maryland, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*UHY LLP*

Columbia, Maryland  
January 15, 2020

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 198,059	\$ 393,707
Grants receivable	446,954	365,197
Prepaid expenses	<u>12,104</u>	<u>16,509</u>
Total current assets	657,117	775,413
<b>INVESTMENTS</b>	277,628	283,094
<b>PROPERTY AND EQUIPMENT, net</b>	14,424	13,731
<b>SECURITY DEPOSIT</b>	<u>1,157</u>	<u>1,157</u>
	<u>\$ 950,326</u>	<u>\$ 1,073,395</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued payroll	\$ 41,664	\$ 35,045
Refundable advances	<u>-</u>	<u>119,245</u>
Total current liabilities	<u>41,664</u>	<u>154,290</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	688,796	701,900
Board designated	<u>27,266</u>	<u>27,397</u>
Total without donor restrictions	716,062	729,297
With donor restrictions	<u>192,600</u>	<u>189,808</u>
Total net assets	<u>908,662</u>	<u>919,105</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 950,326</u>	<u>\$ 1,073,395</u>

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the years ended June 30, 2019 and 2018

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue</b>			
Government grants	\$ 450,167	\$ 563,176	\$ 1,013,343
Other grants	10,000	-	10,000
Contributions	98,287	-	98,287
Annual meeting	63,219	-	63,219
Donated food, services, and facilities	80,167	-	80,167
Dues	11,499	-	11,499
Contract income	6,000	-	6,000
Interest income	9,549	-	9,549
Losses on investments	(217)	-	(217)
Other income	8,070	-	8,070
Loss on disposal of assets	(556)	-	(556)
Net assets released from restrictions	560,384	(560,384)	-
<b>Total support and revenue</b>	<b>1,296,569</b>	<b>2,792</b>	<b>1,299,361</b>
<b>Expenses</b>			
Program services	1,035,390	-	1,035,390
Management and general	164,105	-	164,105
Fundraising	110,309	-	110,309
<b>Total expenses</b>	<b>1,309,804</b>	<b>-</b>	<b>1,309,804</b>
<b>Change in Net Assets</b>	<b>(13,235)</b>	<b>2,792</b>	<b>(10,443)</b>
<b>Net Assets, Beginning</b>	<b>729,297</b>	<b>189,808</b>	<b>919,105</b>
<b>Net Assets, Ending</b>	<b>\$ 716,062</b>	<b>\$ 192,600</b>	<b>\$ 908,662</b>

**2018**

<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
\$ 440,558	\$ 459,735	\$ 900,293
7,192	-	7,192
133,043	-	133,043
54,019	-	54,019
90,544	-	90,544
15,034	-	15,034
6,500	-	6,500
2,371	-	2,371
(1,107)	-	(1,107)
7,691	-	7,691
-	-	-
436,906	(436,906)	-
1,192,751	22,829	1,215,580
998,668	-	998,668
112,702	-	112,702
94,068	-	94,068
1,205,438	-	1,205,438
(12,687)	22,829	10,142
741,984	166,979	908,963
\$ 729,297	\$ 189,808	\$ 919,105

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the years ended June 30, 2019 and 2018

	2019			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 701,083	\$ 90,472	\$ 45,826	\$ 837,381
Employee benefits	41,295	28,531	5,256	75,082
Payroll service fees	1,946	1,345	248	3,539
Contractual labor	156,470	-	-	156,470
Office supplies, telephone and postage	28,641	4,697	3,533	36,871
Rent	40,562	13,510	3,629	57,701
Insurance	6,325	4,407	673	11,405
Professional fees	21,463	10,032	1,848	33,343
Copying and printing	3,005	322	2,777	6,104
Travel and lodging	11,467	714	54	12,235
Annual meeting food service	-	-	17,330	17,330
Dues and subscriptions	13,823	6,097	6,362	26,282
Depreciation	2,407	1,663	306	4,376
Bank fees	-	-	4,026	4,026
Miscellaneous	6,903	2,315	18,441	27,659
	<u>\$ 1,035,390</u>	<u>\$ 164,105</u>	<u>\$ 110,309</u>	<u>\$ 1,309,804</u>

**2018**

<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
\$ 665,394	\$ 59,030	\$ 42,922	\$ 767,346
38,845	9,540	1,684	50,069
1,757	1,222	216	3,195
185,903	-	-	185,903
24,666	4,135	2,583	31,384
41,924	14,501	3,698	60,123
7,131	2,432	124	9,687
10,282	8,989	1,701	20,972
2,242	485	2,246	4,973
8,596	194	84	8,874
369	271	17,548	18,188
6,136	8,703	3,047	17,886
1,717	1,194	210	3,121
-	-	3,365	3,365
3,706	2,006	14,640	20,352
<u>\$ 998,668</u>	<u>\$ 112,702</u>	<u>\$ 94,068</u>	<u>\$ 1,205,438</u>

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (10,443)	\$ 10,142
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	4,376	3,121
Loss on equipment disposal	556	-
Changes in:		
Grants receivable	(81,757)	(47,510)
Prepaid expenses	4,405	(8,425)
Unrealized loss	217	1,107
Accounts payable and accrued payroll	6,619	6,505
Refundable advance	(119,245)	8,684
	<u>(195,272)</u>	<u>(26,376)</u>
Net cash used by operating activities		
<b>Cash Flows from Investing Activities</b>		
Purchase of equipment	(5,625)	(6,092)
Purchase of investments	5,249	(51,102)
	<u>(376)</u>	<u>(57,194)</u>
Net cash used by investing activities		
<b>Net Decrease in Cash and Cash Equivalents</b>	(195,648)	(83,570)
<b>Cash and Cash Equivalents, Beginning</b>	<u>393,707</u>	<u>477,277</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 198,059</u>	<u>\$ 393,707</u>

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2019 and 2018**

**NOTE 1 - PURPOSE OF ORGANIZATION**

The Women's Law Center of Maryland, Inc., (the Center) is a nonprofit corporation, organized on December 10, 1973 under the laws of the State of Maryland for the purpose of ensuring the safety, economic security, and autonomy of women in Maryland through direct legal services, education, and advocacy.

The Center currently runs the projects described below:

Family Law Hotline (statewide)

The Center's Hotline is a free service to people with basic family law questions such as "What are the grounds for divorce?" Or "If I leave with the kids, can I still get child support?" The volunteer attorneys screen the clients for income eligibility and collect basic data required by the funding source, Maryland Legal Services Corporation. Attorneys experienced in family law staff the hotline.

Protection Order Advocacy and Representation Projects (POARP)

POARP represents victims of domestic violence at protection order hearings in the Baltimore City, Baltimore County and Carroll Circuit Courts. The Project's attorneys represent people who have been abused by an intimate partner (current or past boyfriend / girlfriend, current or ex-spouse) in proceedings to obtain protection orders, enforce protection orders through contempt, and modify existing protection orders.

Multi-ethnic Domestic Violence Project (MEDOVI)

The Center provides advocacy and education to survivors of domestic violence in immigrant communities through MEDOVI. This project provides representation to foreign born victims of domestic violence in VAWA Self-Petitions, VAWA battered spouse waivers, Interim U-Visa applications, as well as in Final Protection Order hearings around the State of Maryland. The MEDOVI staff work with foreign born clients who have been abused by an intimate partner. Any person with a language barrier can access the service because of the Center's commitment to secure an appropriate language interpreter.

Collateral Legal Assistance for Survivors Project (CLAS)

The CLAS project provides all of the above services of POARP as well as representing victims of domestic violence, in collateral, primarily family-law related issues, as time and resources allow. These collateral issues include advocacy (sometimes out of court) and representation in divorce and custody proceedings, landlord/tenant matters, replevin cases, and criminal accompaniments. Representation includes the full array of legal services, including discovery, depositions, retention of experts when necessary, settlement negotiations, and litigation. By retaining the attorney-client relationship after the protective order hearing for collateral issues, CLAS is able to provide client-centered and culturally sensitive services and to prevent the re-traumatization of clients who would otherwise be forced to relive and retell their stories to new attorneys, or more often, cannot find representation at all for these on-going issues.

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2019 and 2018**

**NOTE 1 - PURPOSE OF ORGANIZATION (Continued)**

JUDICARE

The Judicare Project provides professional legal representation in contested child custody and family law cases to low-income litigants in Baltimore County. The Center screens potential clients for eligibility. Clients accepted into the program are provided an attorney for their case.

Employment Law Hotline

The Employment Law Hotline is a telephone service which will provide you with legal information about your rights in the workplace. The Hotline will answer questions about many kinds of workplace problems including: discrimination in hiring, firing, promotions or other working conditions; discrimination based on pregnancy; sexual harassment; family or medical leave issues; unpaid wages; contract issues; minimum wage and overtime violations; eligibility for unemployment insurance; or, being punished by the employer for having acted together with other employees to improve working conditions.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and investment instruments with original maturities of three months or less.

**Grants Receivable**

Grants receivable are valued at management's estimate of the amount that will be ultimately collected. Management considers grants receivable to be fully collectible; accordingly, no allowance for doubtful grants has been provided. If amounts become uncollectible, they are charged to operations in the period in which that determination is made.

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended June 30, 2019 and 2018

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Investments consist of certificates of deposit with original maturities in excess of 365 days. Investments are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect account balances and the amounts reported in the accompanying financial statements.

Investments are carried at their fair value as of the date of the statements of financial position, which may differ from the amount ultimately realized at the time of sale. Realized and unrealized gains and losses are reflected in the statements of activities. The cost of investments sold is determined by the specific identification method.

**Fair Value Measurements**

The Center follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which provides 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 the unadjusted quoted 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 ASC 820 are described as follows:

- *Level 1*: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date (e. g., equity securities traded on the New York Stock Exchange).
- *Level 2*: Level 2 inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e. g., quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).
- *Level 3*: Level 3 inputs are unobservable (e. g., a company's own data) and should be used to measure fair value to the extent that observable inputs are not available.

The 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 the observable inputs and minimize the use of the unobservable inputs.

**Property and Equipment**

The Center follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500. The assets are depreciated using the straight-line method over the estimated useful lives.

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2019 and 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Refundable Advances**

Refundable advances represent grant funds received prior to expenditure, which must be returned to the grantor if the necessary expenses are not incurred.

**Revenue Recognition**

Grants and Contributions, including unconditional promises to give, are recognized as revenue in the period in which they are received in accordance with the accrual basis of accounting. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Revenue from conferences is recognized when the event occurs. Revenue from membership dues is recognized when received as there is no direct benefit to the members.

**Donated Services, Facilities, and Food**

In accordance with accounting principles generally accepted in the United States of America, contributions of donated services that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. A substantial number of unpaid volunteers have donated their time to operate the Center's Family Law Hotline and Employment Law Hotline. For the years ending June 30, 2019 and 2018, \$43,750 and \$59,500, respectively, have been recognized in the statements of activities. In addition, the Center receives donated office space for legal projects, as well as donated food and publicity for fundraising. The Center has reported the value of those donations as revenue and expense of \$36,417 and \$31,044 in the statements of activities for the years ended June 30, 2019 and 2018, respectively.

**Net Assets**

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net assets with donor restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Center reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset.

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2019 and 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions

See notes 5 for more information on the composition of net assets.

The State of Maryland enacted Uniform Prudent Management Institutional Funds Act (UPMIFA) on April 14, 2009, the provisions of which apply to endowment funds existing on or established after the date of enactment. The Center follows FASB Accounting Standards Codification (ASC) 958 relating to endowments. Management has determined that the Center's board-designated net assets meet the definition of endowment funds under UPMIFA and FASB ASC 958.

**Functional Allocation of Expense**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Supporting services are comprised of general and administrative expenses and include those costs that are not directly identifiable with any specific program, but provide for the overall support and direction of the Center. Accordingly, certain overhead expenses have been allocated based on time spent by the Center's personnel in such functions.

**Income Taxes**

The Center is exempt from federal and state income taxes (except taxes on unrelated business income, if any) under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service *as other than a private foundation*. No provision for income taxes is required as of June 30, 2019 and 2018, since the Center had no taxable income from unrelated business activities.

The income tax positions taken by the Center for any years open under the various statutes of limitations are that the Center continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. The Center believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of the Center's federal or state income tax returns are currently under examination.

**New Accounting Pronouncements Adopted**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended June 30, 2019 and 2018

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The Center has adopted this ASU as of and for the year ended June 30, 2019, and has chosen to present its statements of cash flows using the indirect method.

**Accounting pronouncements Not Yet Adopted**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance 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. FASB issued ASU 2015-14 that deferred the effective date for the Center until the year ended June 30, 2020. Early adoption is permitted subject to certain limitations.

In 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. FASB issued ASU 2019-10 that deferred the effective date for the Institute until the year ended June 30, 2022. Early adoption is permitted subject to certain limitations.

The Center plans to adopt the new ASUs at the respective required implementation dates.

**NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT**

The following presents the Center's major categories of assets measured at fair value on a recurring basis during the years ended June 30, 2019 and 2018, using quoted prices in active markets for identical assets (Level 1); quoted prices in markets that are not active or for significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	<u>Total</u>	<u>Inputs (Level 1)</u>	<u>Inputs (Level 2)</u>	<u>Inputs (Level 3)</u>
<u>June 30, 2019</u>				
Certificates of Deposit	<u>\$ 277,628</u>	<u>\$ -</u>	<u>\$ 277,628</u>	<u>\$ -</u>

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended June 30, 2019 and 2018

**NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)**

<u>June 30, 2018</u>	<u>Total</u>	<u>Inputs (Level 1)</u>	<u>Inputs (Level 2)</u>	<u>Inputs (Level 3)</u>
Certificates of Deposit	<u>\$ 283,094</u>	<u>\$ -</u>	<u>\$ 283,094</u>	<u>\$ -</u>

Certificates of deposit are measured at fair value on a recurring basis using quoted market prices for those or similar instruments. There have been no changes to the valuation methodologies used at June 30, 2019 and 2018.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30 consisted of the following:

	<u>2019</u>	<u>2018</u>
Office equipment	\$ 37,977	\$ 37,986
Website	4,398	4,398
Furniture and fixtures	<u>13,612</u>	<u>13,612</u>
	55,987	55,996
Less, accumulated depreciation and amortization	<u>(41,563)</u>	<u>(42,265)</u>
Net value of property and equipment	<u>\$ 14,424</u>	<u>\$ 13,731</u>

Depreciation expense for property and equipment for the years ended June 30, 2019 and 2018 was \$4,376 and \$3,121, respectively.

**NOTE 5 - DESIGNATION AND RESTRICTIONS ON NET ASSETS**

**Funds Designated by Board**

The Endowment Fund was established to generate revenue to support the mission of the organization and specific programs as determined by the Board. The fund meets the definition of an endowment fund under accounting principles generally accepted in the United States of America. Funds designated by the Board and the related earnings are to be held and invested until appropriated by the Board. The balance at June 30, 2019 and 2018 was \$27,266 and \$27,397, respectively. The fund is comprised of cash and related investment earnings.

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended June 30, 2019 and 2018

**NOTE 5 - DESIGNATION AND RESTRICTIONS ON NET ASSETS (Continued)**

**Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Restricted for time	\$ 192,600	\$ 187,000
Restricted for purpose - POARP	<u>-</u>	<u>2,808</u>
Total net assets with donor restrictions	<u>\$ 192,600</u>	<u>\$ 189,808</u>

**NOTE 6 - OPERATING LEASE**

The Center has an operating lease agreement with Towson Associates, LLC for office space which expires on June 30, 2022. The lease agreement calls for a base rent of \$2,647 per month.

Future minimum lease payments follow:

Year ending June 30:	
2020	\$ 31,768
2021	31,768
2022	<u>31,768</u>
	<u>\$ 95,304</u>

Rental expense for the years ended June 30, 2019 and 2018 was \$57,700 and \$60,123, respectively, which includes \$16,988 in donated office space for each of the years ended June 30, 2019 and 2018.

**NOTE 7 - UNITED JEWISH ENDOWMENT FUND**

In 1999, the Center was named the beneficiary of a \$1,000,000 fund placed with the United Jewish Endowment Fund. The purpose of the donation was to fund the family law services provided by the Center. The Center received monthly statements from the United Jewish Endowment containing the account balance and transaction summary, but the Center had no control or input over the investment of the funds paid into the Fund.

Distributions were recognized as revenue when received by the Center. The Center received its final payment in 2018 of \$34,302, which is included in contributions revenue for the year ended June 30, 2018.

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2019 and 2018**

**NOTE 8 - CONCENTRATION OF CREDIT RISK**

The Center maintains its operating cash balances with major financial institutions. At times, these balances may exceed federal insurance limits; however, the Center has not experienced any losses with respect to the balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2019 and 2018.

**NOTE 9 - OTHER CONCENTRATIONS**

The Center receives a substantial portion of its revenue from state and local governments. Grants from two government agencies approximated 53% and 62% of total grant revenue for the years ended June 30, 2019 and 2018, respectively. Grants receivable from one government agency approximated 66% and 51% of the total grants receivable as of June 30, 2019 and 2018, respectively. The Center receives grants which renew annually subject to the approval of the grantor.

**NOTE 10 - PENSION PLAN**

The Center offers a Simple IRA pension plan to all eligible employees. Employees who choose to participate may make contributions through pre-tax payroll withholdings. The Center determines annually the amount of matching contributions to be made. For the years ended June 30, 2019 and 2018 matching contributions were \$12,296 and \$9,527, respectively.

**NOTE 11 - LIQUIDITY**

The Center's financial assets available for general expenditures during the year ended June 30, 2020 consists of the following:

Cash and cash equivalents	\$	198,059
Accounts receivable		446,954
Investments		<u>277,628</u>
Total financial assets available within one year		922,641
Less, amounts unavailable for general expenditures within one year, due to:		
Board designated		<u>(27,266)</u>
Total financial assets available to management for general expenditures within one year	\$	<u>895,375</u>

The Center maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2019 and 2018**

**NOTE 12 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 15, 2020, which is the date the financial statements are available to be issued

**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

Board of Directors  
The Women's Law Center of Maryland, Inc.  
Towson, Maryland

We have audited the financial statements of The Women's Law Center of Maryland, Inc. as of and for the years ended June 30, 2019 and 2018, and our report thereon dated January 15, 2020, which contained an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The Schedules of Grant Revenue and Expenses Relating to Maryland Legal Services Corporation Grant on page 20 are presented for purposes of additional analysis and are 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.

*UHY* LLP  
Columbia, Maryland  
January 15, 2020

**THE WOMEN'S LAW CENTER OF MARYLAND, INC.**  
**SCHEDULES OF GRANT REVENUE AND EXPENSES RELATING TO**  
**MARYLAND LEGAL SERVICES CORPORATION GRANT**  
**For the years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Grant Revenue</b>	<u>\$ 271,103</u>	<u>\$ 234,246</u>
<b>Expenses</b>		
Capital Additions	424	-
Contract labor	75,778	86,808
Dues and subscriptions	538	275
Equipment rental	2,517	2,619
Health Insurance	2,890	892
Insurance	4,442	2,500
Office supplies	980	637
Postage and delivery	1,023	1,009
Printing and reproduction	565	627
Professional fees	2,454	2,000
Rent	6,500	6,600
Salary	146,764	108,618
Simple IRA	1,106	509
Staff Development	1,516	-
Taxes - payroll	11,060	9,288
Telephone	10,515	10,799
Travel	2,031	1,065
	<u>271,103</u>	<u>234,246</u>
Total expenses		
	<u>271,103</u>	<u>234,246</u>
<b>Net</b>	<u>\$ -</u>	<u>\$ -</u>