THE WOMEN'S LAW CENTER OF MARYLAND, INC.

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

For the years ended June 30, 2023 and 2022

Women's Law Center
of Maryland

THE WOMEN'S LAW CENTER OF MARYLAND, INC.

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-17
Independent Auditor's Report on Supplementary Information	18
Supplementary Information	
Schedules of Grant Awards and Expenses Relating to Maryland Legal Services Corporation Grant	19

UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Women's Law Center of Maryland, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Women's Law Center of Maryland, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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, including omissions, 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.

In performing an audit in accordance with generally accepted auditing standards, 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 Women's Law Center of Maryland, Inc.'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 Women's Law Center of Maryland, Inc.'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.

UHY LLP

Columbia, Maryland
April 1, 2024

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 808,195	$ 977,915
Grants receivable	608,603	542,468
Prepaid expenses	14,144	9,912
Short-term investments	240,414	49,882
Total current assets	1,671,356	1,580,177
LONG-TERM INVESTMENTS	1,704	1,704
PROPERTY AND EQUIPMENT, net	20,467	22,904
SECURITY DEPOSIT	4,306	1,157
TOTAL ASSETS	$ 1,697,833	$ 1,605,942
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued payroll	$ 55,890	$ 30,185
Deferred Revenue	7,975	1,475
Total liabilities	63,865	31,660
NET ASSETS		
Without donor restrictions:		
Available for operations	1,195,059	1,312,598
Board designated	26,764	26,936
Total without donor restrictions	1,221,823	1,339,534
With donor restrictions	412,145	234,748
Total net assets	1,633,968	1,574,282
TOTAL LIABILITIES AND NET ASSETS	$ 1,697,833	$ 1,605,942

See notes to financial statements.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and Revenue						
Government grants	$ 998,431	$ 473,717	$ 1,472,148	$ 836,998	$ 230,229	$ 1,067,227
Other grants	24,150	-	24,150	327,829	-	327,829
Contributions of cash and other financial assets	108,692	-	108,692	176,963	-	176,963
Annual meeting	46,825	-	46,825	83,181	-	83,181
Donated food, services, and facilities	74,558	-	74,558	83,448	-	83,448
Dues	22,916	-	22,916	21,835	-	21,835
Contract income	8,784	-	8,784	7,986	-	7,986
Paycheck protection program loan forgiveness	-	-	-	96,915	-	96,915
Other income	677	-	677	9,337	-	9,337
Net investment return	3,583	-	3,583	259	-	259
Loss on disposal of assets	(2,299)	-	(2,299)	(1,292)	-	(1,292)
Net assets released from restrictions	296,320	(296,320)	-	218,366	(218,366)	-
Total support and revenue	1,582,637	177,397	1,760,034	1,861,825	11,863	1,873,688
Expenses						
Program services	1,348,949	-	1,348,949	1,168,972	-	1,168,972
Management and general	207,732	-	207,732	172,933	-	172,933
Fundraising	143,667	-	143,667	137,458	-	137,458
Total expenses	1,700,348	-	1,700,348	1,479,363	-	1,479,363
Change in Net Assets	(117,711)	177,397	59,686	382,462	11,863	394,325
Net Assets, Beginning	1,339,534	234,748	1,574,282	957,072	222,885	1,179,957
Net Assets, Ending	$ 1,221,823	$ 412,145	$ 1,633,968	$ 1,339,534	$ 234,748	$ 1,574,282

See notes to financial statements.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended June 30, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel costs:								
Salaries	$ 859,614	$ 90,948	$ 72,945	$ 1,023,507	$ 801,248	$ 64,720	$ 64,494	$ 930,462
Employee benefits	38,083	26,311	4,849	74,092	36,748	25,389	4,677	66,814
Payroll tax expense	42,819	29,583	5,450	77,852	38,934	26,900	4,955	70,789
Total personnel costs	940,516	146,842	83,244	1,170,602	876,930	117,009	74,126	1,068,065
Advertising	-	-	5,000	5,000	-	-	12,924	12,924
Annual meeting - facilities, food, and other	-	-	23,345	23,345	-	-	23,237	23,237
Bank fees	-	-	4,031	4,031	-	-	4,151	4,151
Contractual labor	264,684	-	-	264,684	164,484	-	-	164,484
Copying and printing	4,559	3,150	580	8,289	3,360	160	4,440	7,960
Depreciation	4,370	3,019	556	7,945	3,285	2,269	418	5,972
Dues and subscriptions	17,247	4,543	16,196	37,986	14,763	6,178	4,257	25,198
Insurance	8,812	4,372	304	13,488	8,153	3,109	341	11,603
Miscellaneous	5,831	2,725	703	9,259	3,829	1,448	1,260	6,537
Office supplies, telephone, and postage	22,012	11,312	4,205	37,529	23,783	7,970	3,743	35,496
Payroll service fees	2,465	1,703	313	4,481	2,083	1,440	265	3,788
Professional fees	33,280	15,122	2,785	51,187	25,776	20,003	5,816	51,595
Rent	40,914	12,928	2,382	56,224	39,978	13,347	2,451	55,776
Travel and lodging	4,259	2,016	23	6,298	2,548	-	29	2,577
Total expenses	$ 1,348,949	$ 207,732	$ 143,667	$ 1,700,348	$ 1,168,972	$ 172,933	$ 137,458	$ 1,479,363

See notes to financial statements.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 59,686	$ 394,325
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	7,945	5,972
Unrealized loss on investments	-	322
Loss on disposal of assets	2,299	1,292
Paycheck protection program loan forgiveness	-	(96,915)
Changes in:		
Grants receivable	(66,135)	(164,190)
Prepaid expenses	(4,232)	(1,708)
Security deposit	(3,149)	-
Accounts payable and accrued payroll	25,705	3,273
Deferred Revenue	6,500	1,475
Net cash provided by operating activities	28,619	143,846
Cash Flows from Investing Activities		
Proceeds from sales of investments	50,000	-
Purchases of investments	(240,532)	(50,107)
Purchases of equipment	(7,807)	(19,576)
Net cash used in investing activities	(198,339)	(69,683)
Net Change in Cash and Cash Equivalents	(169,720)	74,163
Cash and Cash Equivalents, Beginning	977,915	903,752
Cash and Cash Equivalents, Ending	$ 808,195	$ 977,915

See notes to financial statements.

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 though 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 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 can 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.

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 are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Center considers all highly liquid investments such as demand deposits, money market accounts, and certificates of deposit with an original maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents held by an investment custodian to facilitate investment transactions or for investment are included in investments in the statements of financial position.

Grants Receivable

Grants receivable consist of unconditional promises to give and are recorded at the earlier of the date received or the date of receipt of a donor's non-contingent promise or pledge. Unconditional promises to give that are expected to be collected in one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The Center considers all grants receivable as of June 30, 2023 and 2022 to be fully collectible; therefore, no provision has been made for an allowance for uncollectible grants receivable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Center records investments at their fair value on the date of the statements of financial position, which may differ from the amount ultimately realized at the time of sale. The difference may be material. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Fair Value Measurements

The fair value measurement accounting literature establishes 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*: Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date (such as stock quotes)
- *Level 2* Inputs from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (such as yield curves or other market data).
- *Level 3*: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

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. All assets have been valued using a market approach.

Following is a description of the valuation methodologies used for assets measured at fair value:

<u>Certificates of Deposit:</u> Valued using quoted market prices for those or similar instruments (Level 2).

<u>Mutual Funds</u>: Valued at the closing price reported in the active market on which the individual securities are traded (Level 1).

There have been no changes to the valuation methodologies used at June 30, 2023 and 2022.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost, and consist of office equipment, website development costs, and furniture and fixtures. The Center capitalizes all property and equipment with a useful life greater than one year and with a cost basis of $500 or more. Depreciation office equipment and furniture and fixtures is computed over an estimated useful life of five years on a straight-line basis. Website development costs are amortized over an estimated three-year useful life. When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss reflected in income. Repairs and maintenance are expensed when incurred.

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 and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations or at the discretion of the Board of Directors (the Board) and not subject to donor (or grantor) restrictions. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions - Net assets subject to donor (or grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor restricted gifts which are spent in the same year as received are reported as revenue without donor restrictions. 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 Note 6 for more information on the composition of net assets with donor restrictions.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue includes line items representing support such as government and other grants, membership dues and contributions from donors and line items that have performance obligations such as meetings and events, contract income and fee for service income. For each revenue stream where revenue recognition is subject to the completion of performance obligations, the Center determines whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether the customers can benefit from the resources, and whether the resources are readily available. The Center's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time.

Contributions and Grants

Unconditional grants, contributions and promises to give are recognized when received. They are classified within activities without donor restrictions or within activities with donor restrictions depending upon the existence and/or nature of any donor restrictions.

A contribution, gift or grant is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Federal and state cost-reimbursable grants are conditional contributions. Conditional contributions received in advance of incurring allowable costs are recorded as refundable advances in the statements of financial position until the barriers to entitlement have been overcome, at which point the Contributions are recognized as unconditional and classified as net assets without donor restrictions. Costs incurred in excess of cash received are recorded as receivables. No amounts have been received in advance under federal and state grants as of June 30, 2023 and 2022.

Membership dues

Dues are nonrefundable and are recorded as revenue when received as there is no direct benefit to the members. The membership period is typically one year.

Meetings and events

Payments received in advance of the meeting or event are recorded in deferred revenue and then recognized as revenue over the period during which the meeting or event occurs.

Contract revenue

Contract revenue consists of reimbursement for administrative support and as such the Center recognizes revenue when the services are provided, and costs incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and In-Kind Contributions

In-kind contributions are recognized as both revenue and support and expenses in the accompanying statement of activities at the estimated fair value as provided by the donor at the date of donation.

Donated professional services that require specialized skills and 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, 2023 and 2022, donated professional services totaling $49,250 and $50,250, respectively, have been recognized in the statements of activities and functional expenses.

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 $25,308 and $33,198 in the statements of activities and functional expenses for the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expense

The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. The Center charges expenses directly incurred for a specific function to the appropriate program or supporting service category.

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 costs 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, 2023 and 2022, 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

New Accounting Pronouncements Adopted in 2023

Effective July 1, 2022, the Center adopted the requirements of FASB ASC 842, *Leases* (Topic 842). This new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability in the statements of financial position for all leases with terms longer than 12 months. Leases are classified as finance leases when the Center expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, if the Center is not expected to consume a major part of the economic benefits of the leased assets, then they are classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the statements of activities, the categorization of assets and liabilities in the statements of financial position, and classification of cash flows in the statements of cash flows. Leases with a term of less than 12 months will not be recorded as the ROU asset and lease liability, and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Center elected to adopt FASB ASC 842, *Leases* (Topic 842), by applying the optional transition method, which allows the Center to initially apply the new lease standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. As a result, the Center's reporting for leases in the prior year (2022) is presented in accordance with the prior historical accounting treatment.

The Center elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Center also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the ROU assets.

The adoption of the new standard had no impact on net assets, because as of the adoption date the Center had no long-term leases that met the reporting requirements of the new standard.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT

The following are the major categories of assets measured at fair value on a recurring basis during the years ended June 30, 2023 and 2022:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
June 30, 2023				
Certificates of Deposit (Short-term)	$ 240,414	$ -	$ 240,414	$ -
Mutual Funds	1,704	1,704	-	-
Total investments	$ 242,118	$ 1,704	$ 240,414	$ -
June 30, 2022				
Certificates of Deposit (Short-term)	$ 49,882	$ -	$ 49,882	$ -
Mutual Funds	1,704	1,704	-	-
Total investments	$ 51,586	$ 1,704	$ 49,882	$ -

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2023	2022
Office equipment	$ 35,399	$ 48,587
Website development	4,398	4,398
Furniture and fixtures	13,612	13,612
	53,409	66,597
Less, accumulated depreciation and amortization	(32,942)	(43,693)
Net value of property and equipment	$ 20,467	$ 22,904

Depreciation expense for property and equipment for the years ended June 30, 2023 and 2022 was $7,945 and $5,972, respectively.

NOTE 5 - CONTINGENCIES - PAYCHECK PROTECTION PROGRAM

According to the rules of the Small Business Administration (SBA), the Center is required to retain Paycheck Protection Program (PPP) loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Center's judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Center may be required to adjust previously reported amounts and disclosures in the financial statements.

NOTE 6 - 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, 2023 and 2022 was $26,764 and $26,936, respectively. The fund is comprised of cash and related investment earnings.

Net Assets with Donor Restrictions

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

	2023	2022
Restricted for time	$ 380,647	$ 222,900
Restricted for purpose	31,498	11,848
Total net assets with donor restrictions	$ 412,145	$ 234,748

NOTE 7 - OPERATING LEASES

The Center had an operating lease agreement for office space which expired on June 30, 2022. The lease agreement called for a base rent of $2,647 per month. No new lease agreement has been entered into as of June 30, 2023. The Center continues to pay rent on a month-to-month basis. A new office lease was finalized and commenced on August 1, 2023.

During the years ended June 30, 2023 and 2022, the Center leased various office equipment under operating leases. For the years ended June 30, 2023 and 2022, the Center had no long-term leases that met the reporting requirements of ASC 842. Rent expense for the years ended June 30, 2023 and 2022 was $56,224 and $55,776, respectively, which includes $16,988 in donated office space for each of the years ended June 30, 2023 and 2022.

NOTE 8 - CONCENTRATIONS, RISKS AND UNCERTAINTIES

Credit Risk

The Center has placed its investments in a professionally managed portfolio that contains equity and fixed income mutual funds, certificates of deposit and money market funds. Such investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

NOTE 8 - CONCENTRATION, RISKS AND UNCERTAINTIES (Continued)

The Center maintains bank accounts with a local financial institution and cash equivalents within the investment accounts. The balances may exceed the maximum amount covered by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in cash and cash equivalents.

Other Concentrations

The Center receives a substantial portion of its revenue from state and local governments. Grants from three government agencies approximated 96% and 75% of total grant revenue for the years ended June 30, 2023 and 2022, respectively. Grants receivable from the same three government agencies approximated 99% and 99% of the total grants receivable as of June 30, 2023 and 2022, respectively. The Center receives grants which renew annually subject to the approval of the grantor.

NOTE 9 - 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, 2023 and 2022 matching contributions were $19,786 and $17,504, respectively and are included with employee benefits on the statements of activities.

NOTE 10 - LIQUIDITY

For general operating expenditures, the Center has the following financial assets available for operations during on year from June 30:

	2023	2022
Cash and cash equivalents	$ 808,195	$ 977,915
Grants and other Receivables	608,603	542,468
Investments	242,118	51,586
Total financial assets available within one year	$1,658,916	$ 1,571,969
Less, amounts unavailable for general expenditures within one year, due to:		
Board designated	(26,764)	(26,936)
Restricted by donors for purpose	(31,498)	(11,848)
Total financial assets available to management for general expenditures within one year	$ 1,600,654	$ 1,533,185

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

NOTE 11 - SUBSEQUENT EVENTS

Effective August 1, 2023, the Center entered in a lease agreement for office space in Towson, MD. Base rent is $51,671 per year, increasing by a factor of 2.5% each year. The lease is classified as an operating lease and expires in August 2033.

Subsequent events have been evaluated through April 1, 2024, which is the date the financial statements are available to be issued.

UHY LLP
Certified Public Accountants

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, 2023 and 2022, and our report thereon dated April 1, 2024, which contained an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were performed 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 19 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
April 1, 2024

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
SCHEDULES OF GRANT REVENUE AND EXPENSES RELATING TO MARYLAND LEGAL SERVICES CORPORATION GRANTS
For the years ended June 30, 2023 and 2022

	2023	2022
Grant Revenue	$ 537,330	$ 313,702
Expenses		
Contract labor	211,899	114,324
Dues and subscriptions	18,311	2,364
Equipment rental	2,443	2,457
Health Insurance	4,427	6,334
Insurance	3,000	2,890
Office supplies	1,049	1,762
Postage and delivery	1,000	646
Printing and reproduction	1,093	271
Professional fees	10,580	6,721
Rent	6,518	6,500
Salary	239,755	118,240
Simple IRA	2,635	1,535
Staff Development	2,851	1,099
Taxes - payroll	14,711	13,779
Telephone	15,004	14,702
Travel	2,054	78
Total expenses	537,330	293,702
Net	$ -	$ 20,000

April 1, 2024

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

Dear Board of Directors:

We have audited the financial statements of The Women's Law Center of Maryland, Inc. (the Center) for the year ended June 30, 2023 and have issued our report thereon dated April 1, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated November 7, 2023. Professional standards also require that we communicate to you the following information related to our audit.

The American Institute of Certified Public Accountants (AICPA) has established the requirement for independent auditors to communicate certain matters related to the conduct of each audit to those who have responsibility for oversight of management's financial reporting process.

Specific areas to be communicated are as follows:

- Our Responsibility under Auditing Standards Generally Accepted in the United States of America
- Planned Scope and Timing of Audit
- Other Information in Documents Containing Audited Financial Statements
- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultation with Other Independent Accountants
- Other Audit Findings or Issues

Other comments regarding these matters, as they relate to the June 30, 2023 audit of the Center, are presented in the attachment to this letter. We will be pleased to review these items with you at your request. This report is intended solely for the information and use of the Audit Committee, Board of Trustees, and management of the Center and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

UHY LLP

Columbia, Maryland

Attachment A

The Women's Law Center of Maryland, Inc.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated November 7, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the combined financial statements are fairly presented, in all material aspects, in accordance with accounting principles generally accepted in the United States of America. Our responsibility is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the combined financial statements are free of material misstatements. Our audit of the combined financial statements does not relieve management of your responsibilities. As part of our audit, we considered the internal control of the Center. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in various meetings, emails and phone discussions. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas tested.

Other Information in Documents Containing Audited Combined Financial Statements

Our responsibility for other information not accompanying the combined financial statements but contained in annual reports that include your combined financial statements and our audit opinion does not extend beyond the combined financial statements identified in our opinion, and we are not required professionally to perform any procedures to corroborate other information contained in such documents.

No documents containing financial information were brought to our attention by management for the year ended June 30, 2023.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note 2 to the financial statements. The application of existing policies was not changed during fiscal year 2023, but as disclosed in the financial statements the Center adopted one new accounting policy (Accounting Standards Update (ASU) 2016-02, Leases, Topic 842) during 2023. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements were the functional allocation of expenses between programs, services and supporting services, and fundraising. For all significant estimates made by management, we have evaluated the reasonableness of the key factors and assumptions used to determine that the estimates are appropriate in relation to the financial statements of the Center taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The attached schedule (Attachment B) summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. The attached schedule (Attachment C) summarizes proposed audit adjustments to the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 1, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Attachment B.
Uncorrected misstatements of the financial statements

The Women's Law Center of Maryland, Inc.

Two equipment leases (a copier and a postage meter) were not recorded in accordance with the provisions of FASB ASC 842, Leases .The standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability in the balance sheet for all leases with terms longer than 12 months. The misstatement results in an understatement of assets by $6,883 and understatement of lease liabilities by $6,310.

<u>**Attachment C – Adjusting Journal Entries**</u>

The Women's Law Center of Maryland, Inc.

Adjusting Journal Entries

Adjusting Journal Entries JE # 1

UHY only - To reclassify the short term CDs from Liquid assets (Cash equivalents) for Financial Statement presentation

	1151	Certificates of Deposit	190,532.00	
	1150	Liquid Asset (MSDW)		190,532.00
Total			**190,532.00**	**190,532.00**

Adjusting Journal Entries JE # 2

PBC - To adjust the old Security deposit

	5500	Miscellaneous	1,157.00	
	1401	Security Deposit on Lease		1,157.00
Total			**1,157.00**	**1,157.00**

Adjusting Journal Entries JE # 3

To reconcile deferred and grants revenues (move unspent portion of restincted unconditional grants from deferred revenue to grant revenue)

	2300	Grants	19,650.00	
	2300	Grants	2,000.00	
	2300	Grants	2,268.00	
	1900	Deferred Revenue		19,650.00
	1900	Deferred Revenue		2,000.00
	1900	Deferred Revenue		2,268.00
Total			**23,918.00**	**23,918.00**

Adjusting Journal Entries JE # 4

To reconcile IOLTA deferred revenue and revenue

	2800	IOLTA Earned Income	9,775.00	
	3800	Fee for Service	6,500.00	
	1405	Undeposited Funds		9,775.00
	1900	Deferred Revenue		6,500.00
Total			**16,275.00**	**16,275.00**
		Total Adjusting Journal Entries	**231,882.00**	**231,882.00**