

**PUBLIC LAW CENTER**  
**Financial Statements**  
**Year Ended December 31, 2019**  
**(With Independent Auditor's Report Thereon)**

**PUBLIC LAW CENTER**  
**Financial Statements**  
**Year Ended December 31, 2019**

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## **Independent Auditor's Report**

Board of Directors  
Public Law Center  
Santa Ana, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Public Law Center (a nonprofit "Organization"), which comprise the statement of financial position as of December 31, 2019, 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 controls 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Public Law Center as of December 31, 2019 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.

## **Emphasis of a Matter**

As described further in note 15 to the financial statements, during the year ended December 31, 2019, Public Law Center implemented Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2014-09: *Revenue from Contracts with Customers* which resulted in a prior period restatement of net assets. Our opinion is not modified with respect to these matters.

## **Report on Summarized Comparative Information**

We have previously audited the financial statements of Public Law Center for the year ended December 31, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

June 8, 2020  
Irvine, California

**PUBLIC LAW CENTER**  
**Statement of Financial Position**  
**December 31, 2019**  
**(with comparative information as of December 31, 2018)**

	<b>2019</b>	<b>2018</b>
<b><u>ASSETS</u></b>		
CURRENT ASSETS:		
Cash and cash equivalents (note 2)	\$ 1,302,751	1,008,638
Contributions receivable	88,072	48,535
Grants receivable (note 5)	179,413	277,801
Prepaid expenses	87,144	80,674
Other assets	25,000	25,000
TOTAL CURRENT ASSETS	1,682,380	1,440,648
PROPERTY AND EQUIPMENT:		
Land	263,640	263,640
Buildings	336,360	336,360
Furniture and equipment	170,467	163,881
TOTAL PROPERTY AND EQUIPMENT	770,467	763,881
LESS ACCUMULATED DEPRECIATION	(316,838)	(293,346)
NET PROPERTY AND EQUIPMENT	453,629	470,535
TOTAL ASSETS	\$ 2,136,009	1,911,183
<b><u>LIABILITIES AND NET ASSETS</u></b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities (note 2)	\$ 210,454	215,212
Deferred revenue	-	141,667
Deposits payable	3,161	4,611
Current portion of note payable (note 7)	9,039	8,642
TOTAL CURRENT LIABILITIES	222,654	370,132
NON-CURRENT LIABILITIES:		
Note payable (note 7)	163,334	172,373
TOTAL LIABILITIES	385,988	542,505
NET ASSETS:		
Without donor restrictions	1,185,165	1,294,843
With donor restrictions (note 4)	564,856	73,835
TOTAL NET ASSETS	1,750,021	1,368,678
TOTAL LIABILITIES AND NET ASSETS	\$ 2,136,009	1,911,183

See accompanying notes to the financial statements

**PUBLIC LAW CENTER**  
**Statement of Activities**  
**Year Ended December 31, 2019**  
**(with comparative information year ended December 31, 2018)**

	<b>Without Donor</b>	<b>With Donor</b>	<b>Totals</b>	
	<b>Restrictions</b>	<b>Restrictions</b>	<b>2019</b>	<b>2018</b>
<b>SUPPORT AND REVENUES:</b>				
Contributions:				
Contributed services (note 2)	\$ 10,262,429	-	10,262,429	10,345,344
Other contributions	2,133,029	564,856	2,697,885	2,435,962
Total contributions	<u>12,395,458</u>	<u>564,856</u>	<u>12,960,314</u>	<u>12,781,306</u>
Grant income (note 3)	1,003,419	-	1,003,419	1,152,907
Special events, net (note 13)	599,124	-	599,124	637,889
Interest	20,213	-	20,213	281
Miscellaneous	130,169	-	130,169	316,605
Support provided by expiring restrictions	215,502	(215,502)	-	-
<b>TOTAL SUPPORT AND REVENUES</b>	<u>14,363,885</u>	<u>349,354</u>	<u>14,713,239</u>	<u>14,888,988</u>
<b>EXPENSES:</b>				
Program services	12,784,098	-	12,784,098	13,036,306
Supporting services:				
Management and general	1,349,620	-	1,349,620	930,743
Fundraising	339,845	-	339,845	336,471
Total supporting services	<u>1,689,465</u>	<u>-</u>	<u>1,689,465</u>	<u>1,267,214</u>
<b>TOTAL EXPENSES</b>	<u>14,473,563</u>	<u>-</u>	<u>14,473,563</u>	<u>14,303,520</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(109,678)	349,354	239,676	585,468
<b>NET ASSETS AT BEGINNING OF YEAR,</b> <b>AS RESTATED (note 15)</b>	<u>1,294,843</u>	<u>215,502</u>	<u>1,510,345</u>	<u>783,210</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,185,165</u>	<u>564,856</u>	<u>1,750,021</u>	<u>1,368,678</u>

See accompanying notes to the financial statements

**PUBLIC LAW CENTER**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2019**  
**(with comparative information year ended December 31, 2018)**

	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>			<b>Totals</b>	
	Operations	Management and General	Fund - Raising	Supporting Services Total	2019	2018
	Salaries and wages:					
Lawyers	\$ 1,180,495	454,600	63,627	518,227	1,698,722	1,516,737
Paralegals	244,226	161,597	1,221	162,818	407,044	357,605
Non-lawyers	29,574	339,212	100,000	439,212	468,786	403,844
Contributed services:						
Lawyers	8,389,070	9,360	-	9,360	8,398,430	8,337,460
Paralegals	267,210	-	-	-	267,210	308,194
Non-lawyers	1,596,789	-	-	-	1,596,789	1,699,690
Payroll taxes	106,231	68,957	11,182	80,139	186,370	164,880
Fringe benefits	214,603	139,304	22,589	161,893	376,496	362,864
Contracted services	345,975	45,782	115,926	161,708	507,683	583,439
Office supplies and maintenance	44,410	28,827	4,675	33,502	77,912	63,138
Dues and subscriptions	21,477	2,885	-	2,885	24,362	24,524
Seminars and training	47,948	-	-	-	47,948	43,997
Other	10,473	6,798	1,102	7,900	18,373	25,646
Insurance	30,953	3,010	488	3,498	34,451	33,842
Equipment maintenance	53,175	34,517	5,597	40,114	93,289	81,635
Utilities	12,745	8,273	1,341	9,614	22,359	23,078
Telephone	20,367	13,220	2,144	15,364	35,731	34,402
Fundraising	-	-	7,808	7,808	7,808	8,083
Litigation	20,076	-	-	-	20,076	77,909
Interest expense	4,574	2,969	482	3,451	8,025	8,404
Rent	80,221	20,055	-	20,055	100,276	67,641
Library	47,710	-	-	-	47,710	49,675
Total expenses before depreciation	12,768,302	1,339,366	338,182	1,677,548	14,445,850	14,276,687
Depreciation	15,796	10,254	1,663	11,917	27,713	26,833
Total expenses	<u>\$ 12,784,098</u>	<u>1,349,620</u>	<u>339,845</u>	<u>1,689,465</u>	<u>14,473,563</u>	<u>14,303,520</u>

See accompanying notes to the financial statements

**PUBLIC LAW CENTER**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**  
**(with comparative information as of December 31, 2018)**

	<b>2019</b>	<b>2018</b>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 239,676	585,468
Adjustments to reconcile increase (decrease) in net assets to cash provided by (used for) operating activities:		
Depreciation expense	27,713	26,833
(Increase) decrease in contributions receivable	(39,537)	(7,570)
(Increase) decrease in grants receivable	98,388	(102,478)
(Increase) decrease in prepaid expenses	(6,470)	(26,488)
Increase (decrease) in accounts payable and accrued liabilities	(4,758)	103,002
Increase (decrease) in deferred revenue	-	(144,056)
Increase (decrease) in deposits payable	(1,450)	(6,550)
Total adjustments	73,886	(157,307)
Net cash provided by (used for) operating activities	313,562	428,161
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(10,807)	(3,866)
Net cash provided by (used for) investing activities	(10,807)	(3,866)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on note payable	(8,642)	(8,262)
Net cash provided by (used for) financing activities	(8,642)	(8,262)
Net increase (decrease) in cash and cash equivalents	294,113	416,033
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,008,638	592,605
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,302,751	1,008,638
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the year for:		
Interest	\$ 8,025	8,404

There were no significant noncash capital, investing, or financing activities in 2019 and 2018.



**PUBLIC LAW CENTER**

**Notes to Financial Statements**

**Year ended December 31, 2019**

**(1) Organization**

On July 7, 1981, Public Law Center (the "Center") began providing free civil legal assistance services to low income individuals who qualify for services. The Center also utilizes significant time donated by private attorneys and staff resources to provide services.

**(2) Summary of Significant Accounting Policies**

**Basis of Accounting** – The Center uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

**Cash and Cash Equivalents** – For purposes of the Statement of Cash Flows, the Center considers all unrestricted highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The following items on the Statement of Financial Position were considered cash and cash equivalents for purposes of the Statement of Cash Flows as of December 31, 2019:

Demand Deposits	<u>\$ 1,302,751</u>
Total	<u>\$ 1,302,751</u>

These accounts may, at times, exceed federally insured limits. As of December 31, 2019, the Center had \$913,762 in excess of Federal Deposit Insurance Corporation (FDIC) insured limits. The Center has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**Property and Equipment** – The Center capitalizes all furniture and equipment expenditures in excess of \$1,000. Fixed assets consist of furniture and equipment and are stated at cost and depreciated using the straight-line method with an estimated useful life of five years. The Center also has one building, with an estimated useful life of 30 years.

**Accrued Vacation** – Included in accounts payable and accrued liabilities at December 31, 2019 is \$151,365 for accrued vacation.

**Net Assets** – The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

**PUBLIC LAW CENTER**

**Notes to Financial Statements**

**(Continued)**

**(2) Summary of Significant Accounting Policies (Continued)**

*Net Assets Without Donor Restrictions*

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**Contributions and Contributed Services** – Cash contributions, pledges and interest income are recognized in the period received or earned. Contributed materials and other noncash contributions are reflected in the accompanying statements at their estimated market values at date of receipt. Contributed services are recognized if the services received: (1) create or enhance nonfinancial assets or require specialized skills; (2) are provided by individuals possessing those skills; and (3) would typically need to be purchased if not provided by contribution. During the year ended December 31, 2019, the Center had 26,155 volunteer attorneys, law clerk and paralegal hours that have been included in the Statement of Activities in an amount aggregating \$10,262,429. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis for deriving their value.

**Statement of Functional Expense Allocation** – The cost of providing the Public Law Center's programs and other activities is summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted using a reasonable allocation method that is consistently applied, as follows:

## PUBLIC LAW CENTER

### Notes to Financial Statements

(Continued)

#### (2) **Summary of Significant Accounting Policies (Continued)**

- Salaries and wages, benefits and payroll taxes are allocated for program staff based on time records kept by staff and for non-program staff by analysis of their activities.
- Contributed services, contracted services, and dues and subscriptions are allocated based on the nature of the expenditure.
- Office supplies and maintenance, insurance, equipment maintenance, utilities, telephone, interest expense, rent and depreciation and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Public Law Center.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Public Law Center generally does not conduct its fundraising activities in conjunction with its other activities.

**Income Tax Status** – The Center qualifies as a tax-exempt organization under Section 501(c)(3) as described in Sections 509(a)(1), 170(b)(1)(A)(vi) of the Internal Revenue Code (the “Code”) and 23701(d) of the California Revenue and Taxation Code, accordingly, there is no provision for federal income taxes or California franchise tax. In addition, the Center qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income (UBTI) would be taxable. The Center evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

The Center’s federal Return of Organization Exempt from Income Tax (Form 990) for the fiscal years ended 2016, 2017 and 2018 are subject to IRS examination, generally for four years after filing. As of the date of this report, the Center’s 2019 return had not yet been filed.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

**Prior Year Data** – Selected information regarding the prior year has been included in the accompanying financial statements. Certain reclassifications have been made to prior year amounts in order to conform to the current year presentation. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles.

**PUBLIC LAW CENTER**

**Notes to Financial Statements**

**(Continued)**

**(2) Summary of Significant Accounting Policies (Continued)**

Accordingly, such information should be read in conjunction with the Center's prior year financial statements, from which this selected financial data was derived.

**(3) Grant Income**

The Center received grants and contributions from private sources, such as law firms and charitable organizations, and from public sources to provide general legal assistance to indigent clients, including undocumented immigrants. Grant income earned during the years ended December 31, 2019 is as follows:

<b><u>Grantor/Contributor</u></b>	
CA Department of Social Services	\$ 452,885
CA Governor's Office of Emergency Services	186,259
County of Orange	126,156
Program for Torture Victims	89,237
City of Santa Ana CDBG	65,843
Institute for Healthcare Advancement	15,067
US Vets - Los Angeles	15,000
Community Legal Aid SoCal	14,930
Waymakers	7,640
Other	<u>30,402</u>
Total Grant Income	<u>\$1,003,419</u>

**(4) Net Assets With Donor Restrictions**

Net assets with donor restrictions consisted of the following as of December 31, 2019:

Purpose restrictions, available for spending:	
American College BK	\$ 7,500
OC Community Foundation	36,667
Orange County Justice Fund	16,960
Keller/Anderle Volunteers for Justice	<u>7,500</u>
Total purpose restricted net assets	<u>68,626</u>
Time restrictions:	
Contributions receivable	88,072
The California Endowment	55,000
Swayne Family Foundation	20,000
State Bar EAF	321,491
Immigrant Justice Corp	<u>11,667</u>
Total time restricted net assets	<u>496,230</u>
Total net assets with donor restrictions	<u>\$ 564,856</u>

**PUBLIC LAW CENTER**

**Notes to Financial Statements**

**(Continued)**

**(5) Grants Receivable**

Receivables from grant awards consisted of the following at December 31, 2019:

<b><u>Grantor/Contributor</u></b>	
CA Department of Social Services	\$ 121,890
County of Orange	20,000
City of Santa Ana CDBG	15,746
Program for Torture Victims	9,121
Fullerton College	5,000
Institute for Healthcare Advancement	2,576
US Vets - Los Angeles	2,500
Community Legal Aid SoCal	1,250
Waymakers	730
B.I. Incorporated	600
Total Grants Receivable	<u>\$ 179,413</u>

**(6) Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 are as follows:

Financial assets:

Cash and cash equivalents	\$ 1,302,751
Contributions receivable	88,072
Grants receivable	<u>179,413</u>
Total financial assets	1,570,236

Less financial assets held to meet donor-imposed restrictions:

Purpose and time-restricted net assets	<u>(564,856)</u>
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Amount available for general expenditures within one year \$ 1,005,380

As part of the liquidity management plan, the Center's Board of Directors have approved investment of cash in excess of daily requirements in short term FDIC insured investments. The Center also maintains a revolving line of credit of \$100,000 with Wells Fargo Bank to cover short-term cash needs.

**PUBLIC LAW CENTER**

**Notes to Financial Statements**

**(Continued)**

**(7) Note Payable**

On December 31, 2003, the Center entered into an agreement with the Orange County Bar Association ("OCBA") to purchase the building and land where the Center is currently located. OCBA loaned the Center a 30-year non-interest bearing principal sum of \$500,000 due December 31, 2033. If the Center fails to pay any portion of the unpaid balance of principal when due, the balance will bear interest at a rate of 5%. Installments of \$1,389 are due on the 1<sup>st</sup> day of each month. The present value of this loan was calculated to be \$274,111 based on an interest rate of 4.5%. The difference of \$225,889 was accounted for as a contribution to the Center at December 31, 2003. As of December 31, 2019, the outstanding balance was \$172,373.

Pursuant to the terms of the note, all amounts of principal and interest reflected in the table below could be declared due and payable under certain circumstances, which include, without limitation, a default on the note by the Public Law Center or the sale of the building and land that secure the note.

The annual requirements to amortize outstanding liabilities of the Center as of December 31, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 9,039	7,628	16,667
2021	9,454	7,213	16,667
2022	9,888	6,778	16,666
2023	10,342	6,324	16,666
2024	10,818	5,849	16,667
Thereafter	<u>122,832</u>	<u>27,305</u>	<u>150,137</u>
Note Payable	<u>\$ 172,373</u>	<u>61,097</u>	<u>233,470</u>

**(8) Commitments and Contingencies**

Financial assistance from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Center for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**(9) Retirement Plans**

In February 2008, the Public Law Center created a 403(b) salary deferral plan whereby employees may contribute up to \$18,000, as allowed under Internal Revenue Service regulations. The plan features an employer match of 3% for employees with six months to three years of tenure and 4% for those who have worked over three years of tenure. During the year ended December 31, 2019, the Public Law Center contributed \$63,662 to various employee retirement accounts.

**PUBLIC LAW CENTER**

**Notes to Financial Statements**

**(Continued)**

**(10) Supplemental Fringe Benefits**

The Center provides a number of supplemental income benefits to their fellows through the Equal Justice Works (AmeriCorps) grant. These benefits are processed through the Center's payroll and are to cover student loans and housing. During 2019, the Center provided \$12,803 to fellows through this grant.

**(11) Lease Commitments**

In February 2012, the Public Law Center entered into a lease agreement for office space on a month-to-month basis for \$5,722 a month. Additionally, in January 2019, The Public Law Center entered into a lease agreement for four additional office spaces on a month-to-month basis for \$2,561 a month. During 2019, the Center recorded \$100,276 in rental expenditures related to these agreements.

**(12) Commitments and Contingencies**

Wells Fargo Bank extended a \$100,000 business line of credit to Public Law Center which may be drawn on at the discretion of the Center. As of December 31, 2019, the Center had not utilized this financial instrument and there was no amount outstanding.

**(13) Special Events**

	<u>Volunteers for Justice Dinner</u>	<u>Other</u>	<u>Total</u>
Special event revenue	\$ 757,158	59,755	816,913
Less direct expenses	<u>(190,503)</u>	<u>(27,286)</u>	<u>(217,789)</u>
Net support from special event	<u>\$ 566,655</u>	<u>32,469</u>	<u>599,124</u>

**(14) Subsequent Events**

Subsequent events have been evaluated by management through June 8, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which negatively impacted Center. Management has not been able to determine the potential outcome or impairment to the Center as of the date of the issuance of the financial statements. The Center has not included any contingencies in the financial statements specific to the COVID-19 pandemic.

On April 29, 2020, the Center received a loan in the amount of \$539,877 from the U.S. Small Business Administration pursuant to the Paycheck Protection Program. The loan bears interest at a rate of 1%. The loan is subject to being forgiven under the Paycheck Protection Program rules. All amounts not forgiven are due on April 29, 2022.

**PUBLIC LAW CENTER**

**Notes to Financial Statements**

**(Continued)**

**(15) Prior Period Adjustment**

**Change in Accounting Principles** - The Center implemented FASB ASU No. 2014-09: *Revenue from Contracts with Customers* in the current year, applying changes retrospectively. The new standard clarified the differences between grants and contribution resulting in many grants now being recorded as contributions. The new standard resulted in the following prior period restatement as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Net assets at beginning of year	1,294,843	73,835	1,368,678
Adjustments for Adoption of ASU 2014-09	-	141,667	141,667
Net assets as restated	1,294,843	215,502	1,510,345