

PUBLIC LAW CENTER
Financial Statements
Year Ended December 31, 2020
(With Independent Auditor's Report Thereon)

PUBLIC LAW CENTER
Financial Statements
Year Ended December 31, 2020

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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, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of Public Law Center for the year ended December 31, 2019, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 8, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 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 May 13, 2021 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 solely 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.

May 13, 2021
Irvine, California

PUBLIC LAW CENTER
Statement of Financial Position
December 31, 2020
(with comparative information as of December 31, 2019)

	2020	2019
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents (note 2)	\$ 2,136,687	1,302,751
Contributions receivable	310,465	88,072
Grants receivable (note 5)	300,115	179,413
Prepaid expenses	59,064	87,144
Other assets	25,000	25,000
TOTAL CURRENT ASSETS	2,831,331	1,682,380
PROPERTY AND EQUIPMENT:		
Land	263,640	263,640
Buildings	336,360	336,360
Software	50,310	-
Furniture and equipment	156,246	170,467
TOTAL PROPERTY AND EQUIPMENT	806,556	770,467
LESS ACCUMULATED DEPRECIATION	(313,292)	(316,838)
NET PROPERTY AND EQUIPMENT	493,264	453,629
TOTAL ASSETS	\$ 3,324,595	2,136,009
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities (note 2)	\$ 274,104	210,454
Deposits payable	93,206	3,161
Current portion of note payable (note 7)	398,575	9,039
TOTAL CURRENT LIABILITIES	765,885	222,654
NON-CURRENT LIABILITIES:		
Note payable (note 7)	304,636	163,334
TOTAL LIABILITIES	1,070,521	385,988
NET ASSETS:		
Without donor restrictions	1,290,275	1,185,165
With donor restrictions (note 4)	963,799	564,856
TOTAL NET ASSETS	2,254,074	1,750,021
TOTAL LIABILITIES AND NET ASSETS	\$ 3,324,595	2,136,009

See accompanying notes to the financial statements

PUBLIC LAW CENTER
Statement of Activities
Year Ended December 31, 2020
(with comparative information as of December 31, 2019)

	Without Donor	With Donor	Totals	
	Restrictions	Restrictions	2020	2019
SUPPORT AND REVENUES:				
Contributions:				
Contributed services (note 2)	\$ 13,373,288	-	13,373,288	10,262,429
Other contributions	<u>2,328,193</u>	<u>963,799</u>	<u>3,291,992</u>	<u>2,697,885</u>
Total contributions	<u>15,701,481</u>	<u>963,799</u>	<u>16,665,280</u>	<u>12,960,314</u>
Grant income (note 3)	1,214,735	-	1,214,735	1,003,419
Special events, net (note 12)	611,440	-	611,440	599,124
Interest	8,966	-	8,966	20,213
Miscellaneous	141,903	-	141,903	130,169
Support provided by expiring restrictions	<u>564,856</u>	<u>(564,856)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>18,243,381</u>	<u>398,943</u>	<u>18,642,324</u>	<u>14,713,239</u>
EXPENSES:				
Program services	16,010,080	-	16,010,080	12,784,098
Supporting services:				
Management and general	1,943,197	-	1,943,197	1,349,620
Fundraising	<u>184,994</u>	<u>-</u>	<u>184,994</u>	<u>339,845</u>
Total supporting services	<u>2,128,191</u>	<u>-</u>	<u>2,128,191</u>	<u>1,689,465</u>
TOTAL EXPENSES	<u>18,138,271</u>	<u>-</u>	<u>18,138,271</u>	<u>14,473,563</u>
INCREASE (DECREASE) IN NET ASSETS	105,110	398,943	504,053	239,676
NET ASSETS AT BEGINNING OF YEAR	<u>1,185,165</u>	<u>564,856</u>	<u>1,750,021</u>	<u>1,510,345</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,290,275</u>	<u>963,799</u>	<u>2,254,074</u>	<u>1,750,021</u>

See accompanying notes to the financial statements

PUBLIC LAW CENTER
Statement of Functional Expenses
Year Ended December 31, 2020
(with comparative information as of December 31, 2019)

	PROGRAM SERVICES	SUPPORTING SERVICES			Totals	
	Operations	Management and General	Fund - Raising	Supporting Services Total	2020	2019
Salaries and wages:						
Lawyers	\$ 1,304,481	664,830	28,975	693,805	1,998,286	1,698,722
Paralegals	370,380	222,180	3,577	225,757	596,137	407,044
Non-lawyers	2,118	411,709	87,592	499,301	501,419	468,786
Contributed services:						
Lawyers	11,231,065	7,840	-	7,840	11,238,905	8,398,430
Paralegals	2,091,490	-	-	-	2,091,490	1,813,856
Non-lawyers	42,893	-	-	-	42,893	50,143
Payroll taxes	121,275	93,917	8,686	102,603	223,878	186,370
Fringe benefits	237,699	184,077	17,025	201,102	438,801	376,496
Contracted services	217,283	168,267	15,563	183,830	401,113	507,683
Office supplies and maintenance	54,538	36,561	5,708	42,269	96,807	77,912
Dues and subscriptions	15,376	11,908	1,101	13,009	28,385	24,362
Seminars and training	15,674	-	-	-	15,674	47,948
Other	7,152	5,539	512	6,051	13,203	18,373
Insurance	18,709	14,489	1,340	15,829	34,538	34,451
Equipment maintenance	47,755	36,982	3,420	40,402	88,157	93,289
Utilities	12,759	9,881	914	10,795	23,554	22,359
Telephone	21,423	16,590	1,534	18,124	39,547	35,731
Fundraising	-	-	3,759	3,759	3,759	7,808
Litigation	61,143	-	-	-	61,143	20,076
Interest expense	4,132	3,200	296	3,496	7,628	8,025
Rent	53,846	41,699	3,857	45,556	99,402	100,276
Library	61,787	-	-	-	61,787	47,710
	<u>15,992,978</u>	<u>1,929,669</u>	<u>183,859</u>	<u>2,113,528</u>	<u>18,106,506</u>	<u>14,445,850</u>
Total expenses before depreciation						
Depreciation	<u>17,102</u>	<u>13,528</u>	<u>1,135</u>	<u>14,663</u>	<u>31,765</u>	<u>27,713</u>
Total expenses	<u>\$ 16,010,080</u>	<u>1,943,197</u>	<u>184,994</u>	<u>2,128,191</u>	<u>18,138,271</u>	<u>14,473,563</u>

See accompanying notes to the financial statements

PUBLIC LAW CENTER
Statement of Cash Flows
Year Ended December 31, 2020
(with comparative information as of December 31, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 504,053	239,676
Adjustments to reconcile increase (decrease) in net assets to cash provided by (used for) operating activities:		
Depreciation expense	31,765	27,713
(Increase) decrease in contributions receivable	(222,393)	(39,537)
(Increase) decrease in grants receivable	(120,702)	98,388
(Increase) decrease in prepaid expenses	28,080	(6,470)
Increase (decrease) in accounts payable and accrued liabilities	63,650	(4,758)
Increase (decrease) in deposits payable	90,045	(1,450)
Total adjustments	(129,555)	73,886
Net cash provided by (used for) operating activities	374,498	313,562
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(71,400)	(10,807)
Net cash provided by (used for) investing activities	(71,400)	(10,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on note payable	(9,039)	(8,642)
Proceeds from loan payable	539,877	-
Net cash provided by (used for) financing activities	530,838	(8,642)
Net increase (decrease) in cash and cash equivalents	833,936	294,113
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,302,751	1,008,638
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,136,687	1,302,751
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the year for:		
Interest	\$ 7,628	8,025

There were no significant noncash investing or financing activities in 2020 and 2019.

PUBLIC LAW CENTER

Notes to Financial Statements

Year ended December 31, 2020

(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, 2020:

Demand Deposits	<u>\$ 2,136,687</u>
Total	<u>\$ 2,136,687</u>

These accounts may, at times, exceed federally insured limits. As of December 31, 2020, the Center had \$1,707,661 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 software 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, 2020 is \$197,487 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, 2020, the Center had 31,880 volunteer attorneys, law clerk and paralegal hours that have been included in the Statement of Activities in an amount aggregating \$13,373,288. 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 Center. 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 2017, 2018 and 2019 are subject to IRS examination, generally for four years after filing. As of the date of this report, the Center’s 2020 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, 2020 is as follows:

<u>Grantor/Contributor</u>	
California Department of Social Services	\$ 432,005
Cal OES	200,000
HHS-ACL	170,106
Program for Torture Victims	109,450
County of Orange	70,648
University of California, Irvine	47,500
Community Service Programs (Waymakers)	42,250
City of Santa Ana CDBG	29,595
Equal Justice Works	24,416
St. Joseph Health Community Partnership Fund	20,000
Institute for Healthcare Advancement	16,436
CA Partnership to End Domestic Violence	15,208
U.S. VETS - Los Angeles	15,000
Other	<u>22,121</u>
Total Grant Income	<u>\$ 1,214,735</u>

(4) Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2020:

Purpose restrictions, available for spending:	
American College BK	\$ 7,500
Morgan Lewis	10,000
Robinson Calcagnie	<u>10,000</u>
Total purpose restricted net assets	<u>27,500</u>
Time restrictions:	
Contributions receivable	310,465
The California Endowment	50,000
Swayne Family Foundation	12,500
State Bar EAF	<u>563,334</u>
Total time restricted net assets	<u>936,299</u>
Total net assets with donor restrictions	<u>\$ 963,799</u>

PUBLIC LAW CENTER

Notes to Financial Statements

(Continued)

(5) Grants Receivable

Receivables from grant awards consisted of the following at December 31, 2020:

<u>Grantor/Contributor</u>	
California Department of Social Services	\$ 218,150
Cal OES	30,399
County of Orange	15,362
Community Service Programs (Waymakers)	10,050
Program for Torture Victims	9,121
City of Santa Ana CDBG	6,429
Delhi Center	3,800
U.S. VETS - Los Angeles	3,750
Institute for Healthcare Advancement	<u>3,054</u>
Total Grants Receivable	<u>\$ 300,115</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, 2020 are as follows:

Financial assets:	
Cash and cash equivalents	\$ 2,136,687
Contributions receivable	310,465
Grants receivable	<u>300,115</u>
Total financial assets	<u>2,747,267</u>
Less financial assets held to meet donor-imposed restrictions:	
Purpose and time-restricted net assets	<u>(963,799)</u>
Amount available for general expenditures within one year	<u>\$ 1,783,468</u>

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 1st 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, 2020, the outstanding balance was \$163,334.

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, 2020 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2025	11,315	5,352	16,667
Thereafter	<u>111,517</u>	<u>21,953</u>	<u>133,470</u>
Note Payable	<u>\$ 163,334</u>	<u>53,469</u>	<u>216,803</u>

On April 29, 2020 the Center received loan proceeds in the amount of \$539,877 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Center was subsequently informed that the first payment is not due until the Small Business Association has made a final determination on the Center's loan forgiveness. The Center intends to use the proceeds for purposes consistent with the PPP. The Center believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan.

PUBLIC LAW CENTER

Notes to Financial Statements

(Continued)

(7) Note Payable (Continued)

Future payments of the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 389,121	3,884	393,005
2022	<u>150,756</u>	<u>360</u>	<u>151,116</u>
Note Payable	<u>\$ 539,877</u>	<u>4,244</u>	<u>544,121</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, 2020, the Public Law Center contributed \$64,435 to various employee retirement accounts.

(10) 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 2020, the Center recorded \$99,401 in rental expenditures related to these agreements.

(11) 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, 2020, the Center had not utilized this financial instrument and there was no amount outstanding.

(12) Special Events

	<u>Volunteers for Justice Dinner</u>	<u>Other</u>	<u>Total</u>
Special event revenue	\$ 632,815	14,655	647,470
Less direct expenses	<u>(32,955)</u>	<u>(3,075)</u>	<u>(36,030)</u>
Net support from special event	<u>\$ 599,860</u>	<u>11,580</u>	<u>611,440</u>

PUBLIC LAW CENTER

Notes to Financial Statements

(Continued)

(13) Subsequent Events

Subsequent events have been evaluated by management through May 13, 2021, 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.

On February 19, 2021, the Center received a loan in the amount of \$679,671 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 February 19, 2022.

In January of 2021 the Center terminated their lease for additional office space due to the lack of need due to COVID-19. This was a month to month lease.