

**PUBLIC LAW CENTER**  
**Financial Statements**  
**Year Ended December 31, 2021**  
**(With Independent Auditor's Report Thereon)**

**PUBLIC LAW CENTER**  
**Financial Statements**  
**Year Ended December 31, 2021**

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## **Independent Auditor's Report**

Board of Directors  
Public Law Center  
Santa Ana, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Public Law Center (a nonprofit "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Public Law Center as of December 31, 2021 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Public Law Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Public Law Center's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 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 GAAS, 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 Public Law Center'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 Public Law Center'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.

### ***Report on Summarized Comparative Information***

We have previously audited the Public Law Center's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

May 13, 2022  
Irvine, California

**PUBLIC LAW CENTER**  
**Statement of Financial Position**  
**December 31, 2021**  
**(with comparative information as of December 31, 2020)**

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>ASSETS</u></b>		
CURRENT ASSETS:		
Cash and cash equivalents (note 2)	\$ 3,593,503	2,136,687
Contributions receivable	299,205	310,465
Grants receivable (note 5)	223,586	300,115
Prepaid expenses	63,706	59,064
Other assets	25,000	25,000
TOTAL CURRENT ASSETS	<u>4,205,000</u>	<u>2,831,331</u>
PROPERTY AND EQUIPMENT:		
Land	263,640	263,640
Buildings	336,360	336,360
Software	92,400	50,310
Furniture and equipment	226,044	156,246
TOTAL PROPERTY AND EQUIPMENT	918,444	806,556
Less accumulated depreciation	<u>(356,025)</u>	<u>(313,292)</u>
NET PROPERTY AND EQUIPMENT	562,419	493,264
TOTAL ASSETS	<u>\$ 4,767,419</u>	<u>3,324,595</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities (note 2)	\$ 310,890	274,104
Deposits payable	186,231	93,206
Current portion of note payable (note 7)	143,829	398,575
TOTAL CURRENT LIABILITIES	640,950	765,885
NON-CURRENT LIABILITIES:		
Note payable (note 7)	689,723	304,636
TOTAL LIABILITIES	<u>1,330,673</u>	<u>1,070,521</u>
NET ASSETS:		
Without donor restrictions	2,475,121	1,290,275
With donor restrictions (note 4)	961,625	963,799
TOTAL NET ASSETS	3,436,746	2,254,074
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,767,419</u>	<u>3,324,595</u>

See accompanying notes to the financial statements

**PUBLIC LAW CENTER**  
**Statement of Activities**  
**Year Ended December 31, 2021**  
**(with comparative information as of December 31, 2020)**

	<b>Without Donor</b>	<b>With Donor</b>	<b>Totals</b>	
	<b>Restrictions</b>	<b>Restrictions</b>	<b>2021</b>	<b>2020</b>
SUPPORT AND REVENUES:				
Contributions:				
Contributed services (note 2)	\$ 11,387,929	-	11,387,929	13,373,288
Other contributions	<u>1,946,952</u>	<u>961,625</u>	<u>2,908,577</u>	<u>3,291,992</u>
Total contributions	<u>13,334,881</u>	<u>961,625</u>	<u>14,296,506</u>	<u>16,665,280</u>
Grant income (note 3)	1,297,944	-	1,297,944	1,214,735
Special events, net (note 12)	622,010	-	622,010	611,440
Interest	1,245	-	1,245	8,966
Miscellaneous	483,462	-	483,462	141,903
PPP loan forgiveness	539,877	-	539,877	-
Support provided by expiring restrictions	<u>963,799</u>	<u>(963,799)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>17,243,218</u>	<u>(2,174)</u>	<u>17,241,044</u>	<u>18,642,324</u>
EXPENSES:				
Program services	14,390,598	-	14,390,598	16,010,080
Supporting services:				
Management and general	1,365,464	-	1,365,464	1,943,197
Fundraising	<u>302,310</u>	<u>-</u>	<u>302,310</u>	<u>184,994</u>
Total supporting services	<u>1,667,774</u>	<u>-</u>	<u>1,667,774</u>	<u>2,128,191</u>
TOTAL EXPENSES	<u>16,058,372</u>	<u>-</u>	<u>16,058,372</u>	<u>18,138,271</u>
INCREASE (DECREASE) IN NET ASSETS	1,184,846	(2,174)	1,182,672	504,053
NET ASSETS AT BEGINNING OF YEAR	<u>1,290,275</u>	<u>963,799</u>	<u>2,254,074</u>	<u>1,750,021</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,475,121</u>	<u>961,625</u>	<u>3,436,746</u>	<u>2,254,074</u>

See accompanying notes to the financial statements

**PUBLIC LAW CENTER**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**  
**(with comparative information as of December 31, 2020)**

	<b>PROGRAM SERVICES</b>	<b>SUPPORTING SERVICES</b>			<b>Totals</b>	
	<b>Operations</b>	<b>Management and General</b>	<b>Fund - Raising</b>	<b>Supporting Services Total</b>	<b>2021</b>	<b>2020</b>
Salaries and wages:						
Lawyers	\$ 1,502,821	454,908	73,110	528,018	2,030,839	1,998,286
Paralegals	439,021	133,540	574	134,114	573,135	596,137
Non-lawyers	82,573	374,043	90,230	464,273	546,846	501,419
Contributed services:						
Lawyers	9,096,624	24,000	-	24,000	9,120,624	11,238,905
Paralegals	2,181,048	-	-	-	2,181,048	2,091,490
Non-lawyers	86,257	-	-	-	86,257	42,893
Payroll taxes	151,365	70,310	11,913	82,223	233,588	223,878
Fringe benefits	265,314	123,240	20,881	144,121	409,435	438,801
Contracted services	189,479	45,497	78,000	123,497	312,976	401,113
Office supplies and maintenance	72,124	33,502	5,676	39,178	111,302	96,807
Dues and subscriptions	18,431	8,562	1,451	10,013	28,444	28,385
Seminars and training	8,817	-	-	-	8,817	15,674
Other	12,987	6,032	1,022	7,054	20,041	13,203
Insurance	20,853	9,686	1,642	11,328	32,181	34,538
Equipment maintenance	81,386	37,804	6,405	44,209	125,595	88,157
Utilities	15,873	7,373	1,249	8,622	24,495	23,554
Telephone	36,660	17,028	2,885	19,913	56,573	39,547
Fundraising	-	-	2,819	2,819	2,819	3,759
Litigation	21,304	-	-	-	21,304	61,143
Interest expense	4,674	2,171	368	2,539	7,213	7,628
Rent	10,562	4,906	831	5,737	16,299	99,402
Bad debt	-	-	1,075	1,075	1,075	-
Library	64,734	-	-	-	64,734	61,787
 Total expenses before depreciation	 14,362,907	 1,352,602	 300,131	 1,652,733	 16,015,640	 18,106,506
Depreciation	27,691	12,862	2,179	15,041	42,732	31,765
 Total expenses	 <u>\$ 14,390,598</u>	 <u>1,365,464</u>	 <u>302,310</u>	 <u>1,667,774</u>	 <u>16,058,372</u>	 <u>18,138,271</u>

See accompanying notes to the financial statements

**PUBLIC LAW CENTER**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**  
**(with comparative information as of December 31, 2020)**

	<u><b>2021</b></u>	<u><b>2020</b></u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 1,182,672	504,053
Adjustments to reconcile increase (decrease) in net assets to cash provided by (used for) operating activities:		
Depreciation expense	42,732	31,765
Forgiveness of PPP loan	(539,877)	-
(Increase) decrease in contributions receivable	11,260	(222,393)
(Increase) decrease in grants receivable	76,529	(120,702)
(Increase) decrease in prepaid expenses	(4,642)	28,080
Increase (decrease) in accounts payable and accrued liabilities	36,786	63,650
Increase (decrease) in deposits payable	93,025	90,045
Total adjustments	<u>(284,187)</u>	<u>(129,555)</u>
Net cash provided by (used for) operating activities	<u>898,485</u>	<u>374,498</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(111,887)</u>	<u>(71,400)</u>
Net cash provided by (used for) investing activities	<u>(111,887)</u>	<u>(71,400)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on note payable	(9,453)	(9,039)
Proceeds from loan payable	679,671	539,877
Net cash provided by (used for) financing activities	<u>670,218</u>	<u>530,838</u>
Net increase (decrease) in cash and cash equivalents	1,456,816	833,936
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,136,687</u>	<u>1,302,751</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,593,503</u>	<u>2,136,687</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Forgiveness of PPP loan	<u>\$ 539,877</u>	<u>-</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the year for:		
Interest	<u>\$ 7,213</u>	<u>7,628</u>

See accompanying notes to the financial statements



## **PUBLIC LAW CENTER**

### **Notes to Financial Statements**

**Year ended December 31, 2021**

**(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, 2021:

Demand deposits	\$ 2,946,352
Money market funds	<u>647,151</u>
Total	<u>\$ 3,593,503</u>

These accounts may, at times, exceed federally insured limits. As of December 31, 2021, the Center had \$2,799,712 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, 2021 is \$201,078 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, 2021, the Center had 29,419 volunteer attorneys, law clerk and paralegal hours that have been included in the Statement of Activities in an amount aggregating \$11,387,929. 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 2018, 2019 and 2020 are subject to IRS examination, generally for four years after filing. As of the date of this report, the Center’s 2021 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, 2021 is as follows:

**Grantor/Contributor**

California Department of Social Services	\$ 507,600
Cal OES	206,000
HHS-ACL	183,366
Program for Torture Victims	109,450
County of Orange	86,116
Delhi Center	44,698
Community Service Programs (Waymakers)	60,115
City of Santa Ana CDBG	53,882
Institute for Healthcare Advancement	18,537
U.S. VETS - Los Angeles	15,000
One OC	6,000
Fullerton College	5,000
Other	<u>2,180</u>
Total Grant Income	<u>\$ 1,297,944</u>

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

Net assets with donor restrictions consisted of the following as of December 31, 2021:

Purpose restrictions, available for spending:	
American College BK	7,500
California Access to Justice Commission	35,000
Charitable Ventures OC - Housing	18,750
Charitable Ventures OC - Immigration	71,040
Draper Family Foundation	32,500
Hoag 2022 & 2023	115,000
Morgan Lewis	<u>10,000</u>
Total purpose restricted net assets	<u>289,790</u>
Time restrictions:	
Contributions receivable	299,205
The California Endowment	37,500
Swayne Family Foundation	12,500
State Bar EAF	111,666
State Bar IOLTA	<u>210,964</u>
Total time restricted net assets	<u>671,835</u>
Total net assets with donor restrictions	<u>\$ 961,625</u>

**PUBLIC LAW CENTER**  
**Notes to Financial Statements**  
**(Continued)**

**(5) Grants Receivable**

Receivables from grant awards consisted of the following at December 31, 2021:

<b><u>Grantor/Contributor</u></b>	
California Department of Social Services	\$ 104,472
Cal OES	36,502
Program for Torture Victims	36,483
City of Santa Ana CDBG	10,643
Delhi Center	8,540
Community Service Programs (Waymakers)	7,790
County of Orange	6,184
One OC	6,000
U.S. VETS - Los Angeles	3,750
Institute for Healthcare Advancement	3,222
Total Grants Receivable	<u>\$ 223,586</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, 2021 are as follows:

Financial assets:

Cash and cash equivalents	\$ 3,593,503
Contributions receivable	299,205
Grants receivable	<u>223,586</u>
Total financial assets	4,116,294

Less financial assets held to meet donor-imposed restrictions:

Purpose and time-restricted net assets	<u>(961,625)</u>
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Amount available for general expenditures within one year \$ 3,154,669

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, 2021, the outstanding balance was \$153,881.

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 the note of the Center as of December 31, 2021 are as follows:

Year	Principal	Interest	Total
2022	\$ 9,889	6,778	16,667
2023	10,342	6,324	16,666
2024	10,818	5,849	16,667
2025	11,315	5,352	16,667
2026	11,834	4,832	16,666
Thereafter	99,683	17,121	116,804
Note Payable	<u>\$ 153,881</u>	<u>46,256</u>	<u>200,137</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. On August 18, 2021, the Center received confirmation from the Small Business Administration notifying them the outstanding balance of their first PPP loan disbursed was fully forgiven.

On February 19, 2021, the Center received a second loan under the Paycheck Protection Program (PPP) in the amount of \$679,671. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first ten months. The Center used the proceeds for purposes consistent with the PPP. Subsequent to the fiscal year end, on April 15, 2022, the second PPP loan was forgiven.

**PUBLIC LAW CENTER**  
**Notes to Financial Statements**  
**(Continued)**

**(7) Note Payable (Continued)**

Future payments of the loan are as follows:

Year	Principal	Interest	Total
2022	\$ 133,940	6,099	140,039
2023	135,267	4,772	140,039
2024	136,607	3,432	140,039
2025	137,961	2,079	140,040
2026	135,896	712	136,608
Note Payable	<u>\$ 679,671</u>	<u>17,094</u>	<u>696,765</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, 2021, the Public Law Center contributed \$72,056 to various employee retirement accounts.

**(10) 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, 2021, the Center had not utilized this financial instrument and there was no amount outstanding.

**(11) Special Events**

	Volunteers for Justice Dinner	Other	Total
Special event revenue	\$ 634,034	38,100	672,134
Less direct expenses	(36,958)	(13,166)	(50,124)
Net support from special event	<u>\$ 597,076</u>	<u>24,934</u>	<u>622,010</u>

**PUBLIC LAW CENTER**  
**Notes to Financial Statements**  
**(Continued)**

**(12) Related Party Transactions**

The Center provides sub-grant funding to the Kennedy Commission to provide technical assistance related to affordable housing advocacy. A member of the Board is an Executive Director at the Kennedy Commission.

**(13) Subsequent Events**

Subsequent events have been evaluated by management through May 13, 2022, 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.