PUBLIC LAW CENTER

Financial Statements

Year Ended December 31, 2022

(With Independent Auditor's Report Thereon)

PUBLIC LAW CENTER

Financial Statements

Year Ended December 31, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022, 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, 2022 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) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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.

Emphasis of Matters

During the year ended December 31, 2022, the Public Law Center implemented Financial Accounting Standards Board (FASB) Accounting Standard Update 2016-02, Leases (Topic 842). Additionally, as discussed in Note 15 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to these matters.

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, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Davis Farr LLP

May 19, 2023
Irvine, California

PUBLIC LAW CENTER
Statement of Financial Position
December 31, 2022
(with comparative information as of December 31, 2021)

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents (note 2)	$ 4,052,190	3,593,503
Contributions receivable	209,660	299,205
Grants receivable (note 5)	209,049	223,586
Prepaid expenses	65,737	63,706
Other assets	20,000	25,000
Total current assets	4,556,636	4,205,000
Right-to-use assets, net (note 10)	8,986	-
Property and equipment, net (note 6)	595,563	562,419
Total assets	$ 5,161,185	4,767,419
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities (note 2)	$ 308,375	310,890
Deposits payable	1,611	186,231
Deferred revenue (note 8)	323,138	-
Current portion of note payable (note 9)	10,342	143,829
Current portion of lease payable (note 10)	9,145	-
Total current liabilities	652,611	640,950
Non-current liabilities:		
Note payable (note 9)	133,650	689,723
Total liabilities	786,261	1,330,673
Net assets:		
Without donor restrictions	2,993,704	2,475,121
With donor restrictions (note 4)	1,381,220	961,625
Total net assets	4,374,924	3,436,746
Total liabilities and net assets	$ 5,161,185	4,767,419

See accompanying notes to the financial statements

PUBLIC LAW CENTER
Statement of Activities
Year Ended December 31, 2022
(with comparative information as of December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Totals 2022	Totals 2021
Support and revenues:				
Contributions:				
Contributed services (note 2)	$ 7,795,790	-	7,795,790	11,387,929
Other contributions	666,874	2,568,733	3,235,607	2,908,577
Total contributions	8,462,664	2,568,733	11,031,397	14,296,506
Grant income (note 3)	2,177,586	-	2,177,586	1,297,944
Special events, net (note 13)	588,379	-	588,379	622,010
Interest	19,612	-	19,612	1,245
Miscellaneous	73,639	-	73,639	483,462
PPP loan forgiveness (note 9)	679,671	-	679,671	539,877
Net assets released from restrictions	2,149,138	(2,149,138)	-	-
Total support and revenues	14,150,689	419,595	14,570,284	17,241,044
Expenses:				
Program services	11,215,540	-	11,215,540	14,390,598
Supporting services:				
Management and general	2,036,849	-	2,036,849	1,365,464
Fundraising	249,543	-	249,543	302,310
Total supporting services	2,286,392	-	2,286,392	1,667,774
Total expenses	13,501,932	-	13,501,932	16,058,372
Increase (decrease) in net assets	648,757	419,595	1,068,352	1,182,672
Net assets at beginning of year, as restated (note 15)	2,344,947	961,625	3,306,572	2,254,074
Net assets at end of year	$ 2,993,704	1,381,220	4,374,924	3,436,746

See accompanying notes to the financial statements

PUBLIC LAW CENTER
Statement of Functional Expenses
Year Ended December 31, 2022
(with comparative information as of December 31, 2021)

	Program Services	Supporting Services			Totals	
	Operations	Management and General	Fund - Raising	Supporting Services Total	2022	2021
Salaries and wages:						
Lawyers	$ 1,761,536	673,528	32,073	705,601	2,467,137	2,030,839
Paralegals	547,815	242,242	1,583	243,825	791,640	573,135
Non-lawyers	15,338	429,454	102,981	532,435	547,773	546,846
Contributed services:						
Lawyers	6,566,258	81,305	-	81,305	6,647,563	9,120,624
Paralegals	1,129,095	168	-	168	1,129,263	2,181,048
Non-lawyers	18,964	-	-	-	18,964	86,257
Payroll taxes	173,410	100,347	10,192	110,539	283,949	233,588
Fringe benefits	294,332	170,321	17,300	187,621	481,953	409,435
Contracted services	290,148	140,882	60,000	200,882	491,030	312,976
Office supplies and maintenance	72,412	41,903	4,256	46,159	118,571	111,302
Dues and subscriptions	26,437	6,078	3,545	9,623	36,060	28,444
Seminars and training	20,852	4,620	125	4,745	25,597	8,817
Other	8,766	35,161	516	35,677	44,443	20,041
Insurance	22,414	12,971	1,317	14,288	36,702	32,181
Equipment maintenance	64,893	37,552	3,814	41,366	106,259	125,595
Utilities	16,466	9,528	968	10,496	26,962	24,495
Telephone	39,662	22,952	2,331	25,283	64,945	56,573
Fundraising	-	-	5,715	5,715	5,715	2,819
Litigation	36,762	-	-	-	36,762	21,304
Interest expense	4,412	2,554	259	2,813	7,225	7,213
Rent	-	-	-	-	-	16,299
Bad debt	-	-	-	-	-	1,075
Library	61,877	-	-	-	61,877	64,734
Total expenses before depreciation and amortization	11,171,849	2,011,566	246,975	2,258,541	13,430,390	16,015,640
Depreciation/amortization	43,691	25,283	2,568	27,851	71,542	42,732
Total expenses	$ 11,215,540	2,036,849	249,543	2,286,392	13,501,932	16,058,372

See accompanying notes to the financial statements

PUBLIC LAW CENTER
Statement of Cash Flows
Year Ended December 31, 2022
(with comparative information as of December 31, 2021)

	2022	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 1,068,352	1,182,672
Adjustments to reconcile increase (decrease) in net assets to cash provided by (used for) operating activities:		
Depreciation expense	60,766	42,732
Reduction in the carrying amount of right-to-use assets - operating leases	10,776	-
Forgiveness of PPP loan	(679,671)	(539,877)
(Increase) decrease in contributions receivable	89,545	11,260
(Increase) decrease in grants receivable	14,537	76,529
(Increase) decrease in prepaid expenses	(2,031)	(4,642)
(Increase) decrease in other assets	5,000	-
Increase (decrease) in accounts payable and accrued liabilities	(2,515)	36,786
Increase (decrease) in deposits payable	(184,620)	93,025
Increase (decrease) in deferred revenue	192,964	-
Increase (decrease) in leases payable	(10,617)	-
Total adjustments	(505,866)	(284,187)
Net cash provided by (used for) operating activities	562,486	898,485
Cash flows from investing activities		
Acquisition of property and equipment	(93,909)	(111,887)
Net cash provided by (used for) investing activities	(93,909)	(111,887)
Cash flows from financing activities		
Payment on note payable	(9,890)	(9,453)
Proceeds from loan payable	-	679,671
Net cash provided by (used for) financing activities	(9,890)	670,218
Net increase (decrease) in cash and cash equivalents	458,687	1,456,816
Cash and cash equivalents at beginning of year	3,593,503	2,136,687
Cash and cash equivalents at end of year	$ 4,052,190	3,593,503
Noncash investing and financing activities		
Forgiveness of PPP loan	$ 679,671	539,877
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	$ 7,225	7,213

See accompanying notes to the financial statements

PUBLIC LAW CENTER

Notes to Financial Statements

Year ended December 31, 2022

(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, 2022:

Demand deposits	$ 3,396,590
Money market funds	655,600
Total	$ 4,052,190

These accounts may, at times, exceed federally insured limits. As of December 31, 2022, the Center had $3,282,085 in excess of Federal Deposit Insurance Corporation (FDIC) insured limits. The Center has not experienced any losses in such accounts.

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 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.

Leases - For the year ended December 31, 2022, the financial statements include the adoption of FASB Accounting Standard Update 2016-02 Leases (Topic 842). The primary objective of this update is to enhance the relevance and consistency of information about the Center's leasing activities. This update establishes a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset.

Accrued Vacation – Included in accounts payable and accrued liabilities at December 31, 2022 is $214,627 for accrued vacation.

(2) Summary of Significant Accounting Policies (Continued)

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:

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 for the nature of the organization, the environment in which it operates, the purposes specified in it 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.

In-kind Contributions – Contributed nonfinancial assets include donated professional services which are recorded at the respective fair values of the services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by the generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

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, 2022, the Center had 13,121 volunteer attorneys, law

(2) Summary of Significant Accounting Policies (Continued)

clerk and paralegal hours that have been included in the Statement of Activities in an amount aggregating $7,795,790. 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.

Grant Revenue – Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the organization.

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:

- 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

(2) Summary of Significant Accounting Policies (Continued)

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 to 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 2019, 2020 and 2021 are subject to IRS examination, generally for four years after filing. As of the date of this report, the Center's 2022 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.

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, 2022 is as follows:

The State Bar of California	$ 973,651
California Department of Social Services	437,449
Cal OES	206,000
HHS-ACL	127,451
Program for Torture Victims	109,450
County of Orange	86,547
Internal Revenue Service	52,053
University of California, Irvine	47,500
Delhi Center	21,060
Community Service Programs (Waymakers)	28,180
City of Santa Ana CDBG	39,408
Institute for Healthcare Advancement	18,032
UC Hasting College of the Law	17,989
U.S. VETS - Los Angeles	7,500
Other	5,316
Total Grant Income	$ 2,177,586

(4) Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2022:

Purpose restrictions, available for spending:	
American College BK	$ 7,500
California Access to Justice Commission	
Eviction Tsunami	5,000
Infrastructure	52,031
California Community Foundation (Kaiser)	75,000
OC Opportunity Initiative	32,433
Hoag 2022 & 2023	55,000
Hoag 2023 & 2024	60,000
Total purpose restricted net assets	286,964
Time restrictions:	
Contributions receivable	209,660
State Bar EAF	623,420
State Bar IOLTA	261,176
Total time restricted net assets	1,094,256
Total net assets with donor restrictions	$ 1,381,220

(5) Grants Receivable

Receivables from grant awards consisted of the following at December 31, 2022:

California Department of Social Services	$ 112,367
Program for Torture Victims	27,362
City of Santa Ana CDBG	25,743
UC Hasting College of the Law	17,989
County of Orange	15,010
Legal Aid Society of Orange County	5,316
Institute for Healthcare Advancement	3,222
Community Service Programs (Waymakers)	2,040
Total Grants Receivable	$ 209,049

(6) Property and Equipment

Property and equipment on December 31, 2022, are summarized as follow:

Land	$ 263,640
Buildings	383,310
Software	92,400
Furniture and equipment	220,822
Total fixed assets	960,172
Less: Accumulated Depreciation	(364,609)
Total fixed assets, net	$ 595,563

Depreciation expense was $60,766 for the year ended December 31, 2022.

(7) 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, 2022 are as follows:

Financial assets:	
Cash and cash equivalents	$ 4,052,190
Contributions receivable	209,660
Grants receivable	209,049
Total financial assets	4,470,899
Less financial assets held to meet donor-imposed restrictions:	
Purpose and time-restricted net assets	(1,381,220)
Amount available for general expenditures within one year	$ 3,089,679

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.

(8) Deferred Revenue

Deferred revenue consists of the following on December 31, 2022:

Homeless Prevention II Grants	$ 235,066
Homeless Prevention III Grants	88,072
Total Deferred Revenue	$ 323,138

(9) 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, 2022, the outstanding balance was $143,992.

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, 2022 are as follows:

Year	Principal	Interest	Total
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
2027	12,378	4,289	16,667
Thereafter	87,305	12,832	100,137
Note Payable	$ 143,992	39,478	183,470

On February 19, 2022, the Center received a second loan under the Paycheck Protection Program (PPP) in the amount of $679,671. 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 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. On April 15, 2022, the Center received confirmation notifying them the outstanding balance of their second PPP loan disbursed was fully forgiven.

(10) Leases

The Center entered into an agreement in October 2018 with a technology company to lease a copier machine for monthly payments of $922 for 5 years. The Center has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Association recorded the following related to right to use assets, net and leases payable as of December 31, 2022:

	Right-to-use assets, net	Leases payable
Copier	$ 8,986	9,145

The future minimum lease payments under noncancelable leases with terms greater than one year are listed below as of December 31, 2022:

Year ending December 31	
2023	$ 9,272
Less: interest	(127)
Present value of leases payable	$ 9,145

Amortization expense was $10,776 for the year ended December 31, 2022.

(11) 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.

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, 2022, the Center had not utilized this financial instrument and there was no amount outstanding.

The Center filed for the Employee Retention Credit (ERC) but have not yet received the credit for the fourth quarter of 2020. Laws and regulations concerning government programs, including the ERC, established by the Coronavirus Aid, Relief, and Economic Securities (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. The Center There can be no assurance that regulatory authorities will not challenge the Center's claim to the ERC, and it is not possible to determine the impact if any this would have upon the Center.

PUBLIC LAW CENTER

Notes to Financial Statements

Year ended December 31, 2022

(12) Retirement Plans

In February 2008, the Public Law Center created a 403(b) salary deferral plan whereby employees may contribute up to $20,500, 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, 2022, the Public Law Center contributed $77,371 to various employee retirement accounts.

(13) Special Events

	Volunteers for Justice Dinner	Other	Total
Special event revenue	$ 673,258	65,200	738,458
Less direct expenses	(124,886)	(25,193)	(150,079)
Net support from special event	$ 548,372	40,007	588,379

(14) 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. The total related party transactions for the fiscal year ending December 31, 2022, were $97,500.

(15) Prior Period Adjustment

During the fiscal year, grant revenues was recorded when received instead of when earned, resulting in the need to record deferred revenue for the fiscal year. The following schedule summarizes the net effects on beginning fund balance and net position as follows:

Beginning fund balance, as previously reported	$ 3,436,746
To correct revenue not earned in the prior year	(130,174)
Beginning fund balance as restated	$ 3,306,572

(16) Subsequent Events

Subsequent events have been evaluated by management through May 19, 2023, which is the date the financial statements were available to be issued. On May 1, 2023, the Center entered into a lease agreement for additional office space. With the exception of the matter discussed, events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.