



# **Center for Gender and Refugee Studies – California, Inc.**

## **Financial Statements**

**For the Year Ended  
June 30, 2021**

With Independent Auditors' Report Thereon

(A California Not-for-Profit Corporation)

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**INDEPENDENT AUDITORS' REPORT**

**The Board of Directors  
Center for Gender and Refugee Studies – California, Inc.**

We have audited the accompanying financial statements of Center for Gender and Refugee Studies – California, Inc. (a California nonprofit organization) which comprise the statement of financial position as of June 30, 2021 and the related statements of activities and changes in net assets, cash flows and functional expenses 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' 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. 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 auditors' 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 Center for Gender and Refugee Studies - California as of June 30, 2021, 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.

*Regalia & Associates*

*Danville, California  
February 18, 2022*

Statement of Financial Position  
June 30, 2021

**ASSETS**

Assets:

Cash and cash equivalents	\$ 251,511
Grants and accounts receivable	<u>121,131</u>
Total assets	<u>\$ 372,642</u>

**LIABILITIES AND NET ASSETS**

Liabilities:

Accounts payable and accrued liabilities	\$ <u>234,022</u>
Total liabilities	<u>234,022</u>

Net assets:

With donor restrictions	60,377
Without donor restrictions	<u>78,243</u>
Total net assets	<u>138,620</u>
Total liabilities and net assets	<u>\$ 372,642</u>

**Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2021**

*Changes in net assets without donor restrictions:*

Revenue and support:

Contributed income:

Government grants	\$ 284,713
Net assets released from restriction	439,350
In-kind donations	310,092
Foundation grants	42,745
Individual contributions	11,339
Other income	346
Total contributed income	1,088,585

Program service fees	37,785
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Total revenue and support	1,126,370
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Expenses:

Program services	806,736
General and administrative	177,953
Fundraising	69,513

Total expenses	1,054,202
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Increase in net assets without donor restriction	72,168
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*Changes in net assets with donor restrictions:*

Grants and contributions	355,439
Net assets released from restrictions	(439,350)

Decrease in net assets with donor restrictions	(83,911)
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Decrease in net assets	(11,743)
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Net assets at beginning of year	150,363
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Net assets at end of year	\$ 138,620
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**Statement of Cash Flows  
Year Ended June 30, 2021**

*Operating activities:*

Decrease in net assets	\$ (11,743)
Adjustments to reconcile to cash provided by (used for) operating activities:	
Changes in:	
Grants and accounts receivable	(98,380)
Accounts payable and accrued liabilities	(267,846)
Cash used for operating activities	(377,969)
Net decrease in cash and cash equivalents	(377,969)
Cash and cash equivalents at beginning of year	629,480
Cash and cash equivalents at end of year	\$ 251,511

*Additional cash flow information:*

State registration taxes paid	\$ 105
Interest and finance charges paid	\$ -

**Statement of Functional Expenses  
Year Ended June 30, 2021**

	<b>General and</b>			
	<b>Program</b>	<b>Admin-</b>	<b>Fund-</b>	
	<b>Services</b>	<b>istrative</b>	<b>raising</b>	<b>Total</b>
Administrative fee	\$ -	\$ 35,928	\$ -	\$ 35,928
Computer hardware and software	9,568	1,958	-	11,526
Dues and licenses	3,379	-	-	3,379
Grants to other organizations	500	-	-	500
Insurance	1,000	2,022	-	3,022
Miscellaneous	614	55	-	669
Occupancy	38,369	6,168	3,621	48,158
Postage	354	3	-	357
Printing	514	-	-	514
Professional fees	53,499	19,536	-	73,035
Salaries, payroll taxes, and benefits	698,065	112,132	65,862	876,059
Supplies and office	651	46	30	727
Taxes and fees	6	105	-	111
Travel, meals, and events	217	-	-	217
<b>Totals</b>	<b>\$ 806,736</b>	<b>\$ 177,953</b>	<b>\$ 69,513</b>	<b>\$ 1,054,202</b>

Notes to Financial Statements  
June 30, 2021

**1. Organization**

Center for Gender and Refugee Studies – California, Inc. (“CGRS-CA”) is a non-profit organization incorporated in California in 2014. CGRS-CA operates from its headquarters in San Francisco, California. CGRS-CA protects the fundamental human rights of refugee women, children, LGBT individuals, and others who flee persecution in their home countries through legal expertise and training, impact litigation, policy development, research, and in-country fact-finding.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation*** – The financial statements of CGRS-CA have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“US GAAP”).

***Measure of Operations*** – The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to CGRS-CA’s ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

***Cash and Cash Equivalents*** – CGRS-CA’s cash consists of cash on deposit in checking accounts. When applicable, cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

***Grants and Accounts Receivable*** – CGRS-CA records receivables that are expected to be collected within one year at net realizable value. When material, receivables expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

In subsequent years, amortization of the discounts (when applicable) will be included in contribution revenue in the statement of activities. The allowance for uncollectible receivables is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectible.

***Use of Estimates*** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.



Notes to Financial Statements  
June 30, 2021

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

**Receivables and Credit Policies** – CGRS-CA determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of the organization to periodically assess receivables to determine proper carrying value.

**Concentrations of Credit Risk** – Financial instruments that potentially subject CGRS-CA to concentrations of credit risk consist principally of cash and cash equivalents and deposits. CGRS-CA maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. CGRS-CA manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, CGRS-CA has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of CGRS-CA's mission.

**Revenue and Revenue Recognition** – Revenue is recognized in accordance with authoritative guidance, including *ASU No. 2014-09, Revenue from contracts with Customers (Topic 606)* and *ASU No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions received and Contributions Made (Topic 958)*.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute is accounted for as a refundable advance until the conditions have been substantially met. Certain payments received could include both elements of contributed income and earned income (such as special events), and management evaluates such transactions in order to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an “exchange transaction”) is recognized when income is earned and therefore measured as services are provided in accordance with *Topic 606*.

When applicable, program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

**In-Kind Contributions** - In-kind contributions are reflected at the fair value of the contribution received in accordance with *ASC 958.605.30-11*. The contributions of services, equipment, and other materials are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Notes to Financial Statements  
June 30, 2021

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

**Functional Allocation of Expenses** – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, which requires CGRS-CA to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (salaries, wages, and payroll taxes, professional services) have been allocated based on time and effort using CGRS-CA's payroll allocations. Other common expenses which benefit all areas have been allocated in accordance with specific services received from vendors and/or other equitable and measurable methods.

**Net Assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor- (or certain grantor-) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, but it has opted not to do so as of June 30, 2021.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent funds which are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Income Taxes** – CGRS-CA is organized as California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. CGRS-CA is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. CGRS-CA is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) because it had no unrelated business taxable income for the year ended June 30, 2021.

CGRS-CA has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that CGRS-CA continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

Notes to Financial Statements  
June 30, 2021

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

**Fair Value Measurements** - Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

CGRS-CA groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1

Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2

Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3

Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

**Recent and Relevant Accounting Pronouncements** – The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. CGRS-CA has adjusted the presentation of these statements accordingly.

Notes to Financial Statements  
June 30, 2021

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

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of February 18, 2022 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that CGRS-CA has the ability to continue as a going concern.

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) Removes inconsistencies and weaknesses in existing revenue requirements, (2) Provides a more robust framework for addressing revenue issues, (3) Improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) Provides more useful information to users of financial statements through improved disclosure requirements, and (5) Simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, the Organization has incorporated these clarifying standards within the audited financial statements.

**3. Cash and Cash Equivalents**

Cash and cash equivalents of \$251,511 at June 30, 2021 consists of funds on deposit in a checking account, which is noninterest-bearing. CGRS-CA attempts to limit its credit risk associated with cash balances by utilizing financial institutions that are well capitalized and highly rated.

Notes to Financial Statements  
June 30, 2021

**4. Grants and Accounts Receivable**

Grants and accounts receivable at June 30, 2021 are summarized as follows:

Government grants receivable	\$ 111,131
Program service fees receivable	10,000
Total grants and accounts receivable	\$ 121,131

All amounts are expected to be collected within one year of the date of the statement of financial position. CGRS-CA uses the direct write-off method with regards to receivables deemed uncollectible. During the year ended June 30, 2021, CGRS-CA recognized no bad debts. Management has evaluated the receivables as of June 30, 2021 and determined that such amounts are fully collectible based on the financial strength of the donors involved.

**5. Liquidity**

CGRS-CA regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. CGRS-CA has various sources of liquidity at its disposal, including cash and cash equivalents and other sources (including the future collection of receivables).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, CGRS-CA considers all expenditures related to its ongoing activities of providing legal services to refugee women, children, LGBT individuals, and others to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, CGRS-CA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table shows the total financial assets held by CGRS-CA and the amounts of those financial assets readily available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 251,511
Grants and accounts receivable	121,131
Less: amounts not available to be used within one year:	
Net assets with donor restrictions for programs	(60,377)
Financial assets available to meet general expenditures over the next twelve months	\$ 312,265

As part of CGRS-CA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. CGRS-CA's goal is generally to maintain financial assets to meet 90 days of operating expenses.

Notes to Financial Statements  
June 30, 2021

**6. Occupancy and Related Parties**

CGRS-CA occupies office space in San Francisco provided by U.C. Hastings College of the Law (“U.C. Hastings”) under a pro-bono operating agreement. Management has estimated the value of the in-kind occupancy to amount to \$48,158 for the year ended June 30, 2021. This in-kind contribution is included with in-kind donations on the statement of activities and changes in net assets and as occupancy expense on the statement of functional expenses.

U.C. Hastings provided CGRS-CA with an original start-up funding grant of \$35,000. In addition to receiving pro-bono office space from U.C. Hastings (as noted above), CGRS-CA also receives in-kind contribution of personnel employed by U.C. Hastings (with an estimated value of \$310,092 for both the office space and personnel for the year ended June 30, 2021). CGRS-CA is the California-focused arm of the U.C. Hastings-based Center for Gender and Refugee Studies (“the Center”) that has grown into an internationally respected resource for gender asylum and related areas, renowned for its knowledge of the law and ability to combine sophisticated legal strategies with policy advocacy and human rights interventions.

Facing increasing demand for the Center’s services from the growing refugee and immigrant populations of California and their representatives, the Center made the decision to incorporate CGRS-CA and apply for 501(c)(3) tax-exempt status in 2014 to expand and strengthen the ability to provide legal technical assistance, training, and litigation resources for attorneys throughout the state. CGRS-CA works closely with, and continues to be affiliated with, the Center, bringing into focus the same vision for a world where no one is subject to persecution because of his or her gender, age, sexual orientation, gender identity, or membership in a family or other social group.

In early 2015, the Center entered into a Memorandum of Understanding (MOU) with the U.C. Hastings administration approved by the Board of Directors in support of the Center’s decision to incorporate CGRS-CA as a California nonprofit with the sole focus of protecting the rights of refugees living in California. CGRS-CA is a separate legal entity from the University, yet through the terms of the MOU, continues to be closely affiliated with the U.C. Hastings-based Center, sharing staff, office space, and other resources.

**7. Commitments and Contingencies**

In the normal course of business CGRS-CA could be subject to certain commitments and contingencies which might not be fully reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Contractual restrictions and donor conditions which obligate CGRS-CA to fulfill certain requirements as set forth in legal instruments, (b) Funding levels which vary based on factors beyond CGRS-CA’s control, such as general economic conditions, (c) Employment contracts and service agreements with outside contractors, and (d) Financial risks associated with funds on deposit in accounts at financial institutions. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements.



Notes to Financial Statements  
June 30, 2021

**8. Net Assets**

Net Assets Without Donor Restrictions

Net assets without donor restrictions of \$78,243 at June 30, 2021 represents the net cumulative retained surplus of CGRS-CA since its inception.

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2021 are summarized as follows:

Equal Access Fund 2021	\$ 5,459
IOLTA 2021	54,918
Total net assets with donor restrictions	<u>\$ 60,377</u>

During the year ended June 30, 2021, contributions to and releases of net assets with donor restrictions amounted to \$355,439 and \$439,350, respectively.

**9. COVID-19**

As a result of COVID-19 and its variants, the worldwide threat continues to (a) impact financial markets, (b) threaten revenue streams, and (c) impact private enterprises with which CGRS-CA conducts operations. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges. Management monitors and evaluates its options. These financial statements reflect certain economic results which have impacted operations.

**10. Subsequent Events**

In compliance with *ASC 855, Subsequent Events*, CGRS-CA has evaluated subsequent events through February 18, 2022, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which are required to be disclosed.