

**American Association of
University Women of
the State of California, Inc.**

Independent Accountants' Review Report
and Financial Statements
Years Ended June 30, 2023 and 2022



Independent Accountants' Review Report

The Board of Directors and Officers
American Association of University Women of the State of California, Inc.
Sacramento, California

We have reviewed the accompanying consolidated financial statements of the American Association of University Women of the State of California, Inc. (a California non-profit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the American Association of University Women of the State of California, Inc. and meet our other ethical responsibilities, in accordance with accounting principals generally accepted in the United States of America.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Moore Messina Webb LLP

Roseville, California
February 5, 2024

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American Association of University Women of the State of California, Inc.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 97,792	\$ 110,518
Accounts receivable	32,588	-
Prepaid expenses	5,000	2,661
Investments	426,010	395,053
Property and equipment, net	-	-
Intangible assets, net	14,850	-
Total assets	\$ 576,240	\$ 508,232
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 5,100	\$ 6,910
Accrued expenses	13,509	5,304
Deferred revenue	34,810	5,320
Total liabilities	53,419	17,534
Net assets		
Without donor restrictions		
Undesignated	96,811	95,645
Designated for operations	265,112	246,215
Designated for expenses	160,898	148,838
Total net assets	522,821	490,698
Total liabilities and net assets	\$ 576,240	\$ 508,232

See accompanying notes and independent accountants' review report.

American Association of University Women of the State of California, Inc.
Statements of Activities
Years ended June 30, 2023 and 2022

	2023	2022
Support and revenue		
Membership dues	\$ 157,100	\$ 163,700
Insurance assessments	48,821	45,479
Gov Trek income	100	-
AAUW Fund assessment	5,845	6,023
Net investment return	30,957	(55,110)
Miscellaneous income	1,832	1,526
Total support and revenue	244,655	161,618
Expenses		
Program services:		
Membership development and services	76,806	75,587
Convention / annual meeting	5,952	6,554
Gov Trek	4,544	-
Public policy	60,656	60,480
Total program services	147,958	142,621
Supporting services:		
General and administrative	64,574	47,591
Total expenses	212,532	190,212
Change in net assets	32,123	(28,594)
Net assets		
Beginning of year	490,698	519,292
End of year	<u>\$ 522,821</u>	<u>\$ 490,698</u>

See accompanying notes and independent accountants' review report.

American Association of University Women of the State of California, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Year Ended June 30, 2023					
	<u>Membership Development & Services</u>	<u>Convention / Annual Meeting</u>	<u>Gov Trek</u>	<u>Public Policy</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 14,103	\$ -	\$ -	\$ -	\$ 14,103	\$ 28,206 x
Payroll taxes	4,152	-	-	-	4,152	8,303
Project expenses	-	-	1,734	-	-	1,734
Bank and payroll charges	-	-	-	-	1,669	1,669
Committee expenses	9,989	-	-	-	-	9,989
Conference and meeting	-	107	-	-	-	107
Grants to the AAUW Fund	-	5,845	-	-	-	5,845 x
Insurance	43,756	-	2,784	-	2,942	49,482
Miscellaneous	-	-	-	176	434	610
Office supplies	150	-	-	-	7,608	7,758
Postage and shipping	-	-	26	-	56	82
Printing and copying	-	-	-	-	7	7
Professional fees	-	-	-	60,480	7,500	67,980
Rent expense	1,428	-	-	-	1,428	2,856
Telephone and internet	2,917	-	-	-	2,917	5,835
Travel	311	-	-	-	21,758	22,069
	<u>\$ 76,806</u>	<u>\$ 5,952</u>	<u>\$ 4,544</u>	<u>\$ 60,656</u>	<u>\$ 64,574</u>	<u>\$ 212,532</u>

See accompanying notes and independent accountants' review report.

American Association of University Women of the State of California, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Year Ended June 30, 2022				
	<u>Membership Development & Services</u>	<u>Convention / Annual Meeting</u>	<u>Public Policy</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 12,501	\$ -	\$ -	\$ 12,501	\$ 25,002
Payroll taxes	3,603	-	-	3,602	7,205
Project expenses	-	-	-	-	-
Bank and payroll charges	-	-	-	1,715	1,715
Committee expenses	8,759	-	-	-	8,759
Conference and meeting	-	554	-	-	554
Grants to the AAUW Fund	-	6,000	-	-	6,000
Insurance	42,054	-	-	4,274	46,328
Miscellaneous	-	-	-	803	803
Office supplies	3,007	-	-	3,006	6,013
Postage and shipping	424	-	-	425	849
Printing and copying	385	-	-	385	770
Professional fees	120	-	60,480	6,400	67,000
Rent expense	1,021	-	-	1,021	2,042
Telephone and internet	3,713	-	-	3,713	7,426
Travel	-	-	-	9,746	9,746
	<u>\$ 75,587</u>	<u>\$ 6,554</u>	<u>\$ 60,480</u>	<u>\$ 47,591</u>	<u>\$ 190,212</u>

See accompanying notes and independent accountants' review report.

American Association of University Women of the State of California, Inc.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 32,123	\$ (28,594)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized gain on investments	(30,957)	55,110
(Increase) decrease in accounts receivable	(32,588)	-
(Increase) decrease in prepaid expenses	(2,338)	(662)
Increase (decrease) in accounts payable	(1,810)	3,210
Increase (decrease) in accrued expenses	8,204	3,311
Increase (decrease) in deferred revenue	29,490	(62,400)
Net adjustments	(29,999)	(1,431)
Net cash provided (used) by operating activities	2,124	(30,025)
Cash flows from investing activities		
Purchase of investments	-	(22,082)
Purchase of intangible assets	(14,850)	-
Net cash provided (used) by investing activities	(14,850)	(22,082)
Net increase (decrease) in cash and cash equivalents	(12,725)	(52,107)
Cash and cash equivalents		
Beginning of year	110,518	162,625
End of year	\$ 97,793	\$ 110,518

See accompanying notes and independent accountants' review report.

American Association of University Women of the State of California, Inc.
Notes to Financial Statements
Years Ended June 30, 2023 and 2022

1. Nature of the Organization

American Association of University Women of the State of California, Inc. (AAUW-CA, we, us, our) is a nonprofit corporation organized under the law of the State of California. The purpose of AAUW is to advance gender equity for women and girls through research, education, and advocacy. AAUW-CA facilitates California branches in meeting the vision and mission of AAUW by providing programs, education, and resources. We are supported primarily through membership dues and conference and convention registration fees.

Our Membership Development and Services program includes developing publications, administering insurance, and assisting branches with membership and our organization's mission.

Our Convention brings women together to talk about common issues and develop action agendas to make a difference for women in society.

Our Public Policy program supports an advocate to monitor and report on the activities of the State legislature and to represent our position on policy development whenever appropriate.

State projects are developed at the state level as the need arises and benefit the whole group. These include events to benefit the AAUW Fund which is a separate entity at American Association of University Women, Washington, D.C.

2. Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-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 are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. 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. There were no donor restricted net assets as of June 30, 2023 and 2022.

Cash and Equivalents

Cash and equivalents consist of cash on hand and highly liquid investments with original or remaining maturities of three months or less at the time of purchase; however, cash managed within the investment brokerage accounts is reported within "Investments" as these funds are not used for daily operating needs.

American Association of University Women of the State of California, Inc.
Notes to Financial Statements
Years Ended June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances and are considered collectible in full; accordingly, no allowance for doubtful accounts has been established. Receivables are determined to be past due based on contractual terms. Balances are charged off after management has exhausted collection efforts.

Investments

Investments are stated at fair value. Investment income is reported net of related investment expenses. Realized and unrealized gains and losses, in total, are included in net investment return reported on the statements of activities.

Property and Equipment

Acquisitions of fixed assets in excess of \$1,000 are capitalized and stated at cost. Donated fixed assets are reported at fair value at the date of the gift. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Membership dues, which are nonrefundable, are recognized as revenue over the membership period. Membership meeting and event revenues are recognized when the meeting or event has occurred. Revenues collected in advance are deferred until earned.

Contributions are recognized when an unconditional promise to give or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Donated Services and Materials

We record the value of contributed services and materials meeting the requirements for recognition has been recorded in the financial statements when applicable. Additionally, a number of volunteers have donated a significant number of hours to AAUW-CA. Although these services do not meet the criteria for recognition under generally accepted accounting principles, they are integral to our mission.

Income Taxes

We are exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(4) and related California code sections. However, we are subject to income taxes from activities unrelated to our tax-exempt purpose.

We have processes presently in place to ensure maintenance of our tax-exempt statuses; to identify and report unrelated business income; to determine our filing and tax obligations for which we have nexus; and to identify and evaluate other matters that may be considered tax positions. We have evaluated the tax positions and related income tax contingencies and do not believe that any material uncertain tax positions exist that require recognition or disclosure in the financial statements.

American Association of University Women of the State of California, Inc.
Notes to Financial Statements
Years Ended June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Intangible Assets

Acquisitions of intangible assets in excess of \$1,000 are capitalized and stated at cost. Amortization is calculated on the straight-line method over the estimated useful lives of the assets.

Functional Expenses

The costs of providing our program services and supporting services have been summarized on a functional basis on the statements of activities and statements of functional expenses. Indirect costs are allocated among programs and supporting services based on personnel, space and other factors.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates under different assumptions or conditions.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individuals and members supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by our management and Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the board believes that the current investment policies and guidelines are prudent for the long-term welfare of our organization.

Advertising and Promotion

Advertising and promotion costs of the Association are charged to expense as incurred and were \$5,684 and \$5,079 for the years ended June 30, 2023 and 2022, respectively.

Subsequent Events

Subsequent events were evaluated through February 5, 2024 which is the date the financial statements were available to be issued.

American Association of University Women of the State of California, Inc.
Notes to Financial Statements
Years Ended June 30, 2023 and 2022

3. Property and Equipment

Property and equipment consisted of the following as of June 30:

	2023	2022
Furniture and equipment	\$ 4,158	\$ 4,158
Less: allowance for doubtful accounts	(4,158)	(4,158)
	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was \$0 for the years ended June 30, 2023 and 2022.

4. Intangible Assets

Intangible assets at June 30 consisted of the following:

	2023	2022
Computer Software	\$ 14,850	\$ -
Less: Accumulated amortization	-	-
	<u>\$ 14,850</u>	<u>\$ -</u>

Amortization expense was \$0 for the years ended June 30, 2023 and 2022. Amortization is taken over an estimated useful life of five years. Future estimated aggregate amortization expense is as follows:

June 30, 2024	\$ 2,970
June 30, 2025	2,970
June 30, 2026	2,970
June 30, 2027	2,970
June 30, 2028	2,970
Total	<u>\$ 14,850</u>

5. Investments

In accordance with generally accepted accounting principles, we use the following prioritized input levels to measure fair value. The input levels used for valuing instruments are not necessarily an indication of risk.

Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2 - Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3 - Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

American Association of University Women of the State of California, Inc.
Notes to Financial Statements
Years Ended June 30, 2023 and 2022

5. Investments (continued)

Investments are reported at fair value and consisted of the following as of June 30:

	As of June 30, 2023			
	Fair Value	Level 1	Level 2	Level 3
Fixed income funds	\$ 152,813	\$ 152,813	\$ -	\$ -
Equity funds	240,305	240,305	-	-
Money market funds	32,892	32,892	-	-
Total investment	<u>\$ 426,010</u>	<u>\$ 426,010</u>	<u>\$ -</u>	<u>\$ -</u>

	As of June 30, 2022			
	Fair Value	Level 1	Level 2	Level 3
Fixed income funds	\$ 146,250	\$ 146,250	\$ -	\$ -
Equity funds	217,954	217,954	-	-
Money market funds	30,849	30,849	-	-
Total investment	<u>\$ 395,053</u>	<u>\$ 395,053</u>	<u>\$ -</u>	<u>\$ -</u>

Investment return consisted of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Interest and dividend income	\$ 9,025	\$ 7,212
Realized and unrealized gain/(loss)	<u>25,004</u>	<u>(59,190)</u>
	34,029	(51,978)
Less: investment expenses	<u>(3,072)</u>	<u>(3,132)</u>
Net investment return	<u>\$ 30,957</u>	<u>\$ (55,110)</u>

6. Revenue From Contracts With Customers

The following table provides information about significant changes in the contract liabilities for the years ended June 30, 2023 and 2022:

	2023	2022
Deferred membership revenue, beginning of year	\$ 5,320	\$ 67,720
Revenue recognized that was included in deferred membership investments at the beginning of year	(5,320)	(67,720)
Increase in deferred revenue due to cash received during year	<u>34,810</u>	<u>5,320</u>
Deferred membership revenue, end of year	<u>\$ 34,810</u>	<u>\$ 5,320</u>

American Association of University Women of the State of California, Inc.
Notes to Financial Statements
Years Ended June 30, 2023 and 2022

7. Related Entities

AAUW-CA has 118 local branches and has no ownership or voting interest in these local branches. We provide insurance, leadership development, and technical and fundraising assistance to the local branches and, in return, receive \$20 for each regular member plus an insurance assessment. We receive lesser amounts from student and honorary life members.

We coordinate the national AAUW Tech Trek program (Tech Trek) in California. Our 501(c)(3) fiscal agent, AAUW California Special Projects Fund (SPF), an independent 501(c)(3) corporation is responsible for receiving all donations and making all payments. However, we are responsible for large credit card payments, which are subsequently reimbursed by SPF. Total payments made for Tech Trek were \$50,652 and \$29,018 for the years ended June 30, 2023 and 2022, respectively. Amounts due from Tech Trek as of June 30, 2023 and 2022 were \$32,922 and \$0, respectively, which are included in Accounts receivable. The June 30, 2023 balance of \$32,922 was paid in full in July 2023.

8. Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30:

	2023	2022
Cash and equivalents	\$ 97,791	\$ 110,518
Accounts receivable	32,589	-
	<u>\$ 130,380</u>	<u>\$ 110,518</u>

Although we do not intend to spend from our board-designated funds of \$426,010 (other than amounts appropriated for general expenditure as part of our annual budget approval and appropriation), these amounts could be made available if necessary. We maintain a liquid cash balance in checking and money market accounts in an amount necessary to meet our anticipated expenditures for at least the next six months. Cash in excess of this may be invested in short-term investments.