

**AMERICAN ASSOCIATION OF
UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.**

Independent Accountant's Review Report
and Financial Statements

Years Ended June 30, 2021 and 2020

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
FOR THE YEARS ENDED JUNE 30, 2021 AND 2021**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
American Association of University Women of the State of California, Inc.
Sacramento, CA

We have reviewed the accompanying financial statements of the American Association of University Women of the State of California, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services issued 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.

Accountant's 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.

Fritzsche Associates, Inc.

Certified Public Accountants
Sacramento, CA
September 24, 2021

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
Assets		
Cash and equivalents	\$ 162,625	\$ 151,683
Accounts receivable	-	4,175
Prepaid expenses	2,000	509
Investments	428,080	359,637
Fixed assets, net	-	-
	<u>-</u>	<u>-</u>
Total assets	<u>\$ 592,705</u>	<u>\$ 516,004</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 3,700	\$ 5,146
Accrued expenses	1,993	2,030
Deferred revenue	67,720	95,220
Total liabilities	<u>73,413</u>	<u>102,396</u>
Net assets:		
Without donor restrictions:		
Undesignated	91,211	53,971
Designated for operations	207,307	162,398
Designated for projects	170,741	138,646
Designated for convention/self-insurance	50,033	58,593
Total net assets	<u>519,292</u>	<u>413,608</u>
Total liabilities and net assets	<u>\$ 592,705</u>	<u>\$ 516,004</u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Support and revenue:		
Membership dues	\$ 172,579	\$ 188,945
Insurance assessments	46,773	45,290
Event revenue	6,135	18,031
Net investment return	68,444	11,838
Convention and meetings	-	56
Miscellaneous income	<u>781</u>	<u>1,764</u>
Total support and revenue	<u>294,712</u>	<u>265,924</u>
Expenses:		
Program services:		
Membership development and services	83,979	92,384
Convention / Annual Meeting	6,324	17,289
Public policy	<u>60,920</u>	<u>61,800</u>
Total program services	151,223	171,473
Supporting services:		
Administration and general	<u>37,805</u>	<u>88,391</u>
Total expenses	<u>189,028</u>	<u>259,864</u>
Change in net assets	105,684	6,060
Net assets, beginning of year	<u>413,608</u>	<u>407,548</u>
Net assets, end of year	<u><u>\$ 519,292</u></u>	<u><u>\$ 413,608</u></u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	Membership Development & Services	Convention / Annual Meeting	Public Policy	Administration & General	Total Expenses
Salaries & wages	\$ 10,890	-	-	\$ 10,891	\$ 21,781
Payroll taxes	3,066	-	-	3,066	6,132
Bank & payroll charges	-	-	-	1,579	1,579
Committee expenses	11,480	-	-	-	11,480
Conference & meeting	-	\$ 6,324	-	-	6,324
Grants to other organizations	1,500	-	-	-	1,500
Insurance	45,845	-	-	1,333	47,178
Miscellaneous expenses	-	-	-	1,649	1,649
Office supplies	2,191	-	-	2,192	4,383
Postage & shipping	585	-	-	586	1,171
Printing & copying	159	-	-	159	318
Professional fees	405	-	\$ 60,920	6,400	67,725
Rent expense	2,668	-	-	2,669	5,337
Telephone & internet	5,190	-	-	5,190	10,380
Travel	-	-	-	2,091	2,091
Totals	<u>\$ 83,979</u>	<u>\$ 6,324</u>	<u>\$ 60,920</u>	<u>\$ 37,805</u>	<u>\$ 189,028</u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Membership Development & Services	Convention / Annual Meeting	Public Policy	Administration & General	Total Expenses
Salaries & wages	\$ 10,371	-	-	\$ 10,371	\$ 20,742
Payroll taxes	2,453	-	-	2,423	4,876
Bank & payroll charges	-	-	-	2,187	2,187
Committee expenses	2,629	-	-	-	2,629
Conference & meeting	-	\$ 17,289	-	-	17,289
Grants to other organizations	1,000	-	-	-	1,000
Insurance	45,909	-	-	1,333	47,242
Interest expense	-	-	-	108	108
Luncheons	11,698	-	-	-	11,698
Miscellaneous expenses	-	-	-	230	230
Office supplies	1,245	-	-	1,246	2,491
Postage & shipping	2,823	-	-	2,824	5,647
Printing & copying	5,807	-	-	5,807	11,614
Professional fees	-	-	\$ 61,800	6,000	67,800
Rent expense	5,357	-	-	5,357	10,714
Telephone & internet	3,092	-	-	3,093	6,185
Travel	-	-	-	48,715	48,715
Totals	<u>\$ 92,384</u>	<u>\$ 17,289</u>	<u>\$ 61,800</u>	<u>\$ 89,694</u>	<u>\$ 261,167</u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Membership dues and conventions/meetings	\$ 149,254	\$ 186,718
Other cash receipts	57,104	70,670
Payments for personnel and related expenses	(29,492)	(27,835)
Payments to vendors	<u>(162,510)</u>	<u>(212,681)</u>
Net cash provided by operating activities	<u>14,356</u>	<u>16,872</u>
Cash flows from investing activities:		
Proceeds from sale of investment securities	463,646	148,905
Purchases of investment securities	<u>(467,060)</u>	<u>(154,611)</u>
Net cash used for investing activities	<u>(3,414)</u>	<u>(5,706)</u>
Change in cash	10,942	11,166
Cash and equivalents, beginning of year	<u>151,683</u>	<u>140,517</u>
Cash and equivalents, end of year	<u><u>\$ 162,625</u></u>	<u><u>\$ 151,683</u></u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 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.

NOTE 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, 2021 or June 30, 2020.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Fixed Assets

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.

We recognize contributions when cash, securities or other assets; 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.

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.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

We receive donated services from a variety of unpaid volunteers assisting in fundraising activities and program services. The value of this donated time is not reflected in the accompanying financial statements since it does not meet the criteria for recognition as a contribution.

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.

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.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Standard

We have adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended, as management believes the standard improves the usefulness and understandability of our financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way we recognize revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

NOTE 3 – LIQUIDITY AND AVAILABILITY

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:

	<u>2021</u>	<u>2020</u>
Cash and equivalents	\$ 162,625	\$ 151,683
Accounts receivable	<u>--</u>	<u>4,175</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 162,625</u>	<u>\$ 155,858</u>

Although we do not intend to spend from our board-designated funds of \$428,080 (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.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 4 – FIXED ASSETS

Fixed assets consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 4,158	\$ 4,158
Less: accumulated depreciation	<u>(4,158)</u>	<u>(4,158)</u>
Total fixed assets, net	<u>\$ --</u>	<u>\$ --</u>

Depreciation expense was \$-0- and \$-0- for the years ended June 30, 2021 and 2020, respectively.

NOTE 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.

Investments are reported at fair value and consisted of the following as of June 30, 2021:

JUNE 30, 2021	Total	Level 1	Level 2	Level 3
Fixed income funds	\$ 212,387	\$ 212,387	\$ --	\$ --
Stock funds	<u>194,024</u>	<u>194,024</u>	<u>--</u>	<u>--</u>
Investments carried at fair value	406,411	<u>\$ 406,411</u>	<u>\$ --</u>	<u>\$ --</u>
Money market funds*	<u>21,669</u>			
Total investments	<u>\$ 428,080</u>			

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 5 – INVESTMENTS (continued)

Investments are reported at fair value and consisted of the following as of June 30, 2020:

JUNE 30, 2020	Total	Level 1	Level 2	Level 3
Fixed income funds	\$ 194,891	\$ 194,891	\$ --	\$ --
Stock funds	<u>156,548</u>	<u>156,548</u>	<u>--</u>	<u>--</u>
Investments carried at fair value	351,439	<u>\$ 351,439</u>	<u>\$ --</u>	<u>\$ --</u>
Money market funds*	<u>8,198</u>			
Total investments	<u>\$ 359,637</u>			

* Money market funds included in the investment portfolio are not subject to provisions of fair value measurements as they do not meet the FASB definition of a security.

Investment return consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 7,166	\$ 9,529
Realized and unrealized gain/(loss)	<u>64,910</u>	<u>6,133</u>
	72,076	15,662
Less: investment expenses	<u>(3,632)</u>	<u>(3,824)</u>
Net investment return	<u>\$ 68,444</u>	<u>\$ 11,838</u>

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 6 – REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	<u>2021</u>	<u>2020</u>
Deferred membership revenue, beginning of year	\$ 95,220	\$ 94,710
Revenue recognized that was included in deferred membership investments at the beginning of year	(95,220)	(94,710)
Increase in deferred revenue due to cash received during the year	<u>67,720</u>	<u>95,220</u>
Deferred membership revenue, end of year	<u>\$ 67,720</u>	<u>\$ 95,220</u>

NOTE 7 – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Those expenses allocated on the basis of estimated time and efforts include salaries and wages, payroll taxes, rent, communications, and other office-related expenses. Certain professional fees are allocated based on the functional nature of the contract work being performed.

NOTE 8 – RELATED ENTITIES

AAUW-CA has 119 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 act as a fiscal agent for the national AAUW Tech Trek program (Tech Trek) in California. We received funds and remitted payments for Tech Trek in the amounts of \$3,801 and \$3,155 for the years ended June 30, 2021 and 2020, respectively. Amounts due from Tech Trek were \$-0- and \$3,801 as of June 30, 2021 and 2020, respectively.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
OF THE STATE OF CALIFORNIA, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 9 – SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus (pandemic), economic uncertainties have occurred that are likely to negatively impact our revenue from program service activities. However, the related financial impact and duration of the pandemic cannot be reasonably estimated at this time.

We have reviewed the results of operations from our year end, June 30, 2021, through September 24, 2021, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any other subsequent events occurred, the nature of which would require disclosure.