

THE PUBLIC INTEREST LAW CENTER

FINANCIAL STATEMENTS

December 31, 2018

(With Comparative Totals for 2017)

THE PUBLIC INTEREST LAW CENTER

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Public Interest Law Center
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of The Public Interest Law Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and the related statements of activities and cash flows 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.

Auditor's 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 auditor's 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 The Public Interest Law Center as of December 31, 2018 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.

Report On Summarized Comparative Information

We have previously audited The Public Interest Law Center's 2017 financial statements, and, our report dated May 14, 2018 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



SNYDER, DAITZ & COMPANY
Philadelphia, PA

May 24, 2019

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF FINANCIAL POSITION

December 31, 2018

(With Comparative Totals for 2017)

	2018	2017
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 862,754	\$ 838,603
Accounts receivable	2,500	86,874
Grants and contributions receivable	297,269	115,672
Prepaid expenses	22,547	22,006
Total Current Assets	<u>\$ 1,185,070</u>	<u>\$ 1,063,155</u>
<u>OTHER ASSETS</u>		
Grants and contributions receivable	\$ 100,674	\$ 25,000
Investments	1,615,453	1,655,816
Property and equipment, net	6,109	16,183
	<u>\$ 1,722,236</u>	<u>\$ 1,696,999</u>
Total Assets	<u>\$ 2,907,306</u>	<u>\$ 2,760,154</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 4,035	\$ 28,942
Payroll and withholdings payable	30,962	13,483
Deferred revenue	29,005	68,132
Agency funds liability	83,097	37,605
Total Current Liabilities	<u>\$ 147,099</u>	<u>\$ 148,162</u>
<u>NET ASSETS</u>		
Without donor restrictions	\$ 1,896,062	\$ 2,129,512
With donor restrictions	864,145	482,480
	<u>\$ 2,760,207</u>	<u>\$ 2,611,992</u>
Total Liabilities and Net Assets	<u>\$ 2,907,306</u>	<u>\$ 2,760,154</u>

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF ACTIVITIES Year ended December 31, 2018 (With Comparative Totals for 2017)

	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
REVENUE				
Grants and contributions	\$ 174,133	\$ 704,312	\$ 878,445	\$ 492,555
Legal community and other support	651,670	17,255	668,925	712,413
In-kind legal services	647,870		647,870	586,564
Fee awards	72,033		72,033	361,966
Contracts and honorarium	121,218		121,218	38,750
Investment income	92,872		92,872	97,910
Net assets released from restrictions:				
Satisfaction of purpose restrictions	243,270	(243,270)	0	0
Satisfaction of time restrictions	93,500	(93,500)	0	0
Total Revenue	\$ 2,096,566	\$ 384,797	\$ 2,481,363	\$ 2,290,158
EXPENSES AND LOSSES				
Program services	\$ 1,817,877		\$ 1,817,877	\$ 1,693,911
General and administrative	216,048		216,048	186,500
Fundraising	166,990		166,990	132,331
Total Expenses	\$ 2,200,915	0	\$ 2,200,915	\$ 2,012,742
Net unrealized losses on investments	129,101	\$ 3,132	132,233	0
Total Expenses and losses	\$ 2,330,016	\$ 3,132	\$ 2,333,148	\$ 2,012,742
Change in Net Assets	\$ (233,450)	\$ 381,665	\$ 148,215	\$ 277,416
Net Assets, Beginning	2,129,512	482,480	2,611,992	2,334,576
Net Assets, Ending	\$ 1,896,062	\$ 864,145	\$ 2,760,207	\$ 2,611,992

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2018
(With Comparative Totals for 2017)

	Program Services	General & Administration	Fundraising	2018 Total	2017 Total
EXPENSES					
Cases and court costs	\$ 18,240	0	0	\$ 18,240	\$ 64,247
In-kind legal services	647,870	0	0	647,870	586,564
Salaries	757,579	\$ 128,405	\$ 65,434	951,418	838,127
Payroll taxes	62,751	10,636	5,420	78,807	67,570
Benefits	42,817	7,257	3,698	53,772	50,963
Retirement	12,894	2,185	1,114	16,193	12,437
Professional fees	14,847	32,570	37,150	84,567	48,966
Rent and electricity	95,009	13,193	6,036	114,238	112,813
Conference and travel	9,814	0	0	9,814	13,828
Insurance	21,901	3,041	1,392	26,334	18,528
Library and subscriptions	16,730	0	0	16,730	12,684
Newsletter and fundraising	12,095	0	12,095	24,190	10,618
Office expenses	67,076	17,597	4,242	88,915	109,720
Events expenses	29,877	0	29,877	59,754	54,046
Depreciation	8,377	1,164	532	10,073	11,631
	<u>\$ 1,817,877</u>	<u>216,048</u>	<u>166,990</u>	<u>\$ 2,200,915</u>	<u>\$ 2,012,742</u>

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF CASH FLOWS Year ended December 31, 2018 (With Comparative Totals for 2017)

	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 148,215	\$ 277,416
Adjustments to reconcile to cash from operations		
Donated securities	(2,554)	(2,613)
(Gain) loss on market value of securities	132,233	(67,992)
Depreciation	10,073	11,631
(Increase) decrease in:		
Accounts receivable	8,700	(26,701)
Grants and contributions receivable	(181,597)	(24,042)
Prepaid expenses	(541)	(3,948)
Increase (decrease) in:		
Accounts payable and accrued expenses	(26,484)	(17,831)
Payroll and withholdings payable	19,056	9,041
Deferred revenue	(39,127)	68,132
Agency funds liability	45,492	6,994
Net cash provided by operating activities	<u>\$ 113,466</u>	<u>\$ 230,087</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sale of investments	\$ 2,600	0
Purchase of investments	(91,915)	(31,505)
Net cash used by investing activities	<u>\$ (89,315)</u>	<u>\$ (31,505)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	<u>0</u>	<u>0</u>
Net Increase in Cash for Year	\$ 24,151	\$ 198,582
Cash balance, beginning	838,603	640,021
Cash balance, ending	<u><u>\$ 862,754</u></u>	<u><u>\$ 838,603</u></u>

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 1 - ORGANIZATIONAL ACTIVITY

The Public Interest Law Center (formerly Public Interest Law Center of Philadelphia) was incorporated January 31, 1974 under the Non-Profit Corporation Law of the Commonwealth of Pennsylvania. Its purpose is to provide legal services in the public interest through legal representation and litigation, counseling, aid and assistance to individuals, groups, and organizations requiring or requesting such services. The major sources of the Organization's revenue come from fee awards and public support.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through May 24, 2019, which is the date the financial statements were available to be issued.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statements are presented in accordance with FASB ASC 958 Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are detailed in Note 8.

Management 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 and disclosures. Actual results could differ from those estimates.

Significant estimates are made in calculating the value of donated services.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and highly liquid instruments purchased with an original maturity of three months or less.

Accounts Receivable Reserves

The Organization reviews its receivables on a regular basis for collectibility. The Organization considers all receivables fully collectible, accordingly, no allowance for doubtful accounts is required. When a question of the collectibility of a particular receivable arises it is written off or reserved for at that time. Recoveries of items previously charged off are recognized as income when received.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of furniture and equipment is provided over the estimated useful lives of the related assets, 3 to 10 years, using the straight-line method. Major renewals and improvements are recorded to the assets accounts while maintenance and repairs which do not improve or extend the life of the respected assets are expensed.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue

Awards for fees and out-of-pocket costs are awarded by court order or settlement and are recorded when awarded or when a settlement agreement is finalized by its terms. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Other revenue and gains are recognized when they become measurable and due to the Organization.

Contributions

Contributions received are recorded as "without donor restrictions" or "with donor restrictions", depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in with donor restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Only a donor can impose a restriction; the Board may designate contributions for a purpose, but the contribution is classified as unrestricted in that case. If a contribution is made with a donor-imposed condition, it is not recorded until the condition has been met.

A further distinction is to be made whether a gift is a contribution (a voluntary non-reciprocal transfer of funds or cancellation of liability from one organization to another); an exchange transaction (each party receives and sacrifices commensurate value); or an agency transaction (the recipient organization acts as an agent, trustee, or intermediary on behalf of another organization).

A promise to give is a written agreement to contribute if there is sufficient evidence in the form of verifiable documentation that a promise was made and received and that it is legally enforceable. When a promise to give is recorded, it requires the same classifications and distinctions as a contribution, as above.

Contributions with donor-imposed restrictions or conditions are to be recorded as restricted support even if the restriction or condition is met in the same reporting period.

Donated marketable securities and long-lived assets are recorded as contributions at their fair values at the date of donation.

Contributed Services

As prescribed by FASB ASC 958, The Public Interest Law Center has recognized contributions of \$647,870 in professional services from 12 individuals and firms in 2018, and \$586,564 in professional services from 10 individuals and firms in 2017, which were donated to the organization in connection with its operations. This amount is included both in revenue under legal community and other support, and in expense as in-kind legal services.

The value of the services is determined using industry knowledge of rates quoted, applied to the hours reported by the professionals. The rate used in the calculation is based on the lower rates quoted. The value of the services is recognized only where there is no potential compensation to the firm or individual.

In addition, The Public Interest Law Center receives a significant amount of additional professional services in connection with certain cases where the individuals and firms may possibly be compensated if the cases result in a favorable outcome. The value of these services, not recognized in the financial statements, is estimated to be approximately \$77,990 in 2018 and \$367,490 in 2017.

A substantial number of unpaid volunteers also donate their time and effort to The Public Interest Law Center. The value of these services is not recognized in the financial statements as they do not meet the criteria for recognition under FASB ASC 958.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

Salaries and benefits are allocated based on estimates of time and effort. Professional fees, newsletter and event expenses are allocated based on the cost, usage and related benefits of the specific services provided. Rent and occupancy, insurance, office expenses and depreciation are allocated based on the percentages derived from the estimated allocation of salaries. Certain other cost including cases and court cost, legal including in-kind, conferences and travel, and library and subscription costs, are related directly to the Organization's programs and are thus reflected as program costs.

Income Taxes

The Public Interest Law Center is a non-profit corporation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior year's amounts have been reclassified to conform with the December 31, 2018 presentation.

NOTE 3 – LIQUIDITY MANAGEMENT

The Public Interest Law Center's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Financial assets at year end:

Cash and cash equivalents	\$ 862,754
Accounts receivable	2,500
Grants and contributions receivable	397,943
Investments	<u>1,615,453</u>
Total financial assets	<u>\$2,878,650</u>

Less: Amounts not available to be used within one year:

Net assets with purpose restrictions	
Cash	(\$ 294,773)
Grants and contributions receivable	(349,352)
Investments:	
Robert Wolf Fund included in Vanguard funds	(101,011)
Thomas L. Gilhool Disabilities Rights Center	
Fund at Philadelphia Foundation	<u>(58,829)</u>
	<u>(\$ 803,965)</u>

Financial assets available to meet general expenditures Over the next year

\$2,074,685

Cash and cash equivalents of \$862,754 reflected on the statement of financial position includes \$294,773 of cash restricted by donors for certain purposes.

Grants and contributions receivable of \$397,943 reflected on the statement of financial position includes \$349,352 restricted by donors for certain purposes.

The investments of \$1,615,453 reflected on the statement of financial position can be liquidated with board authorization and would be available if necessary, except for amounts held in the Robert Wolf Fund and the Thomas L. Gilhool Disabilities Rights Center Fund.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 3 – LIQUIDITY MANAGEMENT – CONTINUED

The Public Interest Law Center's goal is generally to maintain financial assets available to meet 90 days of operating expenses.

As part of its liquidity plan, the Organization's audit/finance committee performs a monthly review of financial statements, and reviews the Organization's cash as well as its projected cash flows. If additional cash is projected to be needed, the Organization has available unrestricted liquid investments in a Vanguard Money Market fund. It also maintains a \$250,000 line of credit with a banking institution. The audit/finance committee also considers on a periodic basis whether to invest a portion of the Organization's operational cash or liquid investments in higher yield investments.

NOTE 4 - INVESTMENT AND FAIR VALUE MEASUREMENTS

Investments consist of the following at December 31:

		Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)
<u>2018</u>	<u>Cost</u>			
Vanguard Funds				
Conservative Growth	\$ 639,086	\$ 627,606	\$ 627,606	0
Managed Payout	499,658	442,112	442,112	0
Money market fund	484,383	484,383	484,383	0
Total Vanguard Funds	<u>\$1,623,127</u>	<u>\$1,554,101</u>	<u>\$1,554,101</u>	<u>0</u>
Other investments				
Equity securities	\$ 2,554	\$ 2,523	\$ 2,523	0
Beneficial Interests in Funds Held by Community Foundations				
Philadelphia Foundation	\$ 53,285	\$ 58,829	0	\$ 58,829
	<u>\$1,678,966</u>	<u>\$1,615,453</u>	<u>\$1,556,624</u>	<u>\$ 58,829</u>
<u>2017</u>				
Vanguard Funds				
Conservative Growth	\$ 615,829	\$ 646,707	\$ 646,707	0
Managed Payout	415,649	438,681	438,681	0
Money market fund	505,860	505,860	505,860	0
Total Vanguard Funds	<u>\$1,537,338</u>	<u>\$1,591,248</u>	<u>\$1,591,248</u>	<u>0</u>
Other investments				
Equity securities	\$ 2,613	\$ 2,607	\$ 2,607	0
Beneficial Interests in Funds Held by Community Foundations				
Philadelphia Foundation	\$ 53,845	\$ 61,961	0	\$ 61,961
	<u>\$1,593,796</u>	<u>\$1,655,816</u>	<u>\$1,593,855</u>	<u>\$ 61,961</u>

In 2016, the Law Center established an Endowment Fund with the Philadelphia Foundation. The funds were irrevocably transferred to the community foundation, where they are held in diversified investment portfolios. The Organization is permitted by Pennsylvania law to spend between 2% and 7% of the average balance of the funds over the past 3 years. Distributions from the funds are to support the Law Center's work on behalf of people with disabilities.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 4 - INVESTMENT AND FAIR VALUE MEASUREMENTS – CONTINUED

The Endowment Funds held at Philadelphia Foundation are recorded as assets in these financial statements. This is in accordance with FASB ASC 958-605 (formerly FAS 136, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others), as the Organization has the right to receive the distributions from the income from the Endowment Funds. Also, in accordance with FASB ASC 985-605, these amounts contributed by the Organization to the community foundation funds are classified as permanently restricted net assets in the financial statements. Amounts contributed directly by other donors to the Endowment Fund, if any, are not reflected in the financial statements.

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2018 and 2017 are reported in investment income or losses on the Statement of Activities. All such gains and losses for 2018 and 2017 were a result of transactions where values have been measure using Level 1 inputs, except for losses of \$2,572 in 2018, and gains of \$8,305 in 2017, which were measured using Level 2 inputs.

FASB ASC 820-10 (formerly No. 157, *Fair Value Measurements*), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are those other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3 inputs are those unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value, with fair value of investments based on quoted net asset values of shares held at year-end. Level 2 inputs were used where available to the Organization, and Level 3 inputs are only used when Level 1 and 2 inputs are not available

Level 1 Fair Value Measurements

The fair value of mutual funds are based on quoted net asset values of the shares held at year-end.

Level 2 Fair Value Measurements

The fair value of Beneficial Interests in Funds Held by Community Foundations are valued at cost, which approximates the fair value of the assets held at the foundation at year end.

NOTE 5 – GRANTS RECEIVABLE

Represents unconditional promises to give, as explained in Note 2, for use as follows:

	<u>2018</u>	<u>2017</u>
Housing	\$240,287	0
Fair Education Funding	42,500	0
Blight Remediation	30,156	30,172
Garden Justice Legal Initiative	15,000	15,000
General Operating Grants	<u>70,000</u>	<u>95,500</u>
	<u>\$397,943</u>	<u>\$140,672</u>
Amounts due:		
Within one year	\$297,269	\$115,672
One to five years	<u>100,674</u>	<u>25,000</u>
	<u>\$397,943</u>	<u>\$140,672</u>

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2018 and 2017:

Furniture and equipment	\$145,147	\$145,147
Leasehold improvements	<u>7,515</u>	<u>7,515</u>
	\$152,662	\$152,662
Less: Accumulated Depreciation	<u>146,553</u>	<u>136,479</u>
	<u>\$ 6,109</u>	<u>\$ 16,183</u>

NOTE 7 - LINE OF CREDIT

The Public Interest Law Center has a \$250,000 revolving line of credit with Huntington National Bank dated September 23, 2011 and available until July 20, 2020. Outstanding balances are due on demand and carry interest at a variable rate equal to the 30 day LIBOR rate + 2.75%. The line is secured by a money market account at Huntington National Bank. The line of credit agreement requires The Public Interest Law Center to provide bi-annual calculations of projected income to support outstanding draws. Draws on the line of credit are governed by a board-approved policy, under which the Executive Director has the discretion to make draws from the line of credit up to 80% of the line. Advance written approval is required from the Chair of the Audit/Finance committee and from the Chair of the Board, or their designees, before making any draws from the line of credit that would take the balance over 80% of the line.

The duration of outstanding balances on the line, and the expected repayments are monitored by the Audit/Finance committee.

There was no balance outstanding on the line as of December 31, 2018 and 2017.

NOTE 8 – NET ASSETS

Net Assets Without Donor Restrictions

Represents funds retained by The Public Interest Law Center that were received without any donor-imposed restrictions. In addition, donor-restricted contributions whose restrictions have been met in the same reporting period are reported as without donor restrictions. Included in net assets without donor restrictions are the following board designated funds:

	<u>2018</u>	<u>2017</u>
<u>Board Designated</u>		
Educational purposes	<u>\$ 3,839</u>	<u>\$16,425</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions represents resources restricted by the donor as to time of the usage of the funds, or the purpose for which the funds are used.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2018 and 2017

NOTE 8 – NET ASSETS – CONTINUED

Net Assets With Donor Restrictions – Continued

Net assets with donor restrictions are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Housing	\$400,000	0
School Funding Advocacy	70,593	0
Garden Justice Legal Initiative	50,185	\$ 37,551
Feasibility Study	48,280	50,014
Blight Remediation	30,156	17,428
School Funding Litigation	21,589	91,940
Glen Ross Class Action	15,201	21,884
Rebranding	0	8,306
Philadelphia Project	0	5,146
Transition Services	4,211	0
Take Action Philly	3,872	0
Grounded in Philly	0	3,024
Other programs	218	715
Time restricted	<u>60,000</u>	<u>83,500</u>
	\$704,305	\$319,508
Robert Wolf Fund:		
This fund is included within the Vanguard investments.		
Income earned on the permanently restricted principal		
of the endowment can be used for operating purposes.	101,011	101,011
Thomas L. Gilhool Disabilities Rights Center Fund:		
This fund is held at the Philadelphia Foundation.		
Income earned in the fund can also be used to		
enable the Law Center to continue to assist persons		
with disabilities through legal representation, research,		
training and education.	<u>58,829</u>	<u>61,961</u>
	<u>\$864,145</u>	<u>\$482,480</u>

NOTE 9 - COMMITMENTS FOR LEASED FACILITIES AND EQUIPMENT

The Public Interest Law Center signed a ten-year lease beginning in November 2009 for office space rental. Rent expense for the year ended December 31, 2018 and 2017 was \$114,238 and \$112,813 respectively.

The Public Interest Law Center also has lease payments due on copier equipment, which expire at various times through August 2023.

The future minimum rental payments for office space, not including utilities, real estate taxes and other overhead expenses passed through, and equipment for the next five years are as follows:

<u>Fiscal Year</u> <u>Ended December 31,</u>	<u>Office</u> <u>Space</u>	<u>Office</u> <u>Equipment</u>
2019	\$ 96,188	\$ 32,142
2020	0	23,826
2021	0	17,886
2022	0	15,645
2023	0	15,645
and thereafter	<u>0</u>	<u>9,168</u>
	<u>\$ 96,188</u>	<u>\$ 114,312</u>

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 10 - CONCENTRATION OF CREDIT RISK

Cash

The Organization maintains its bank accounts in financial institutions with insurance provided by the FDIC up to \$250,000. Uninsured balances were approximately \$612,800 as of December 31, 2018. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on uninsured cash.

NOTE 11 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Program and support services were as follows for the year ended December 31, 2018 and 2017:

	2018	2017
Program expenses - Law Center – In-Kind	\$ 647,870	\$ 579,564
Program expenses - Law Center – Other	1,170,007	1,107,347
	<u>\$1,817,877</u>	<u>\$1,686,911</u>
Management and general	216,048	186,500
Fundraising	166,990	132,331
	<u>\$2,200,915</u>	<u>\$2,005,742</u>

The \$647,870 reported as in-kind services in the 2018 statement of activities is recorded above as in-kind program services.

The \$579,564 reported as in-kind services in the 2017 statement of activities is recorded above as in-kind program services.

NOTE 12 – RETIREMENT PLAN

401(k) Plan

The Organization sponsors the Public Interest Law Center of Philadelphia 401(k) Plan. Under the Plan, qualified employees may elect to defer a portion of their compensation, up to Internal Revenue Service limits, and the Organization may match a certain portion of the employee contributions.

The Organization has elected to match 50% of employee contributions up to 6% of an employee's compensation, which resulted in matching contributions of \$16,193 and \$11,963 for 2018 and 2017, respectively.

Participants should refer to Plan documents for specific details of the Plan.