

**A Better Balance
(a Not - for - Profit Corporation)
Financial Statements
June 30, 2020**

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Financial Statements
June 30, 2020

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Independent Auditor's Report

To the Board of Directors of
A Better Balance (a Not - for - Profit Corporation)

We have audited the accompanying financial statements of A Better Balance (a Not - for - Profit Corporation), which comprise the Statement of Financial Position as of June 30, 2020, and the related Statements of Activities, Functional Expenses 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 A Better Balance (a Not - for - Profit Corporation) as of June 30, 2020, 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 A Better Balance (a Not - for - Profit Corporation)'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2019. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

October 20, 2020

 CPA PLLC

A Better Balance
(a Not - for - Profit Corporation)
Statement of Financial Position
June 30, 2020
(With Summarized Financial Information for 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash	\$ 2,631,966	\$ 1,049,410
Investments	-	250,187
Prepaid expenses	428	25,851
Grants and contributions receivable - current portion	470,000	648,334
Security deposit	26,750	26,400
Total Current Assets	<u>3,129,144</u>	<u>2,000,182</u>
Other Assets		
Grants and contributions receivable	700,000	795,000
Total Other Assets	<u>700,000</u>	<u>795,000</u>
Total Assets	<u>\$ 3,829,144</u>	<u>\$ 2,795,182</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 27,706	\$ 11,688
Accrued expenses	103,436	94,352
Advance on conditional contribution (1)	344,300	-
Total Current Liabilities	<u>475,442</u>	<u>106,040</u>
Net Assets		
Without Donor Restrictions	1,147,958	420,496
With Donor Restrictions	2,205,744	2,268,646
Total Net Assets	<u>3,353,702</u>	<u>2,689,142</u>
Total Liabilities and Net Assets	<u>\$ 3,829,144</u>	<u>\$ 2,795,182</u>

(1) Payroll Protection Plan

See independent auditor's report and accompanying notes to the financial statements.

A Better Balance
(a Not - for - Profit Corporation)
Statement of Activities
For the Year Ended June 30, 2020
(With Summarized Financial Information for 2019)

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2020</u>	<u>2019</u>
Support and Revenue				
Foundation grants	\$ 25,000	\$ 1,273,500	\$ 1,298,500	\$ 2,937,500
Fellowship income	-	110,000	110,000	85,000
Contributions - individual, board and corporation	164,027	-	164,027	92,161
Contributions - special events	17,000	-	17,000	197,381
Legal services fees	1,178,638	-	1,178,638	42,976
Research and other program service income	53,700	-	53,700	600
Interest income	5,123	-	5,123	-
Other income	7,532	-	7,532	-
Less: Direct costs of special events	(9,300)	-	(9,300)	(37,808)
	<u>1,441,720</u>	<u>1,383,500</u>	<u>2,825,220</u>	<u>3,317,810</u>
Net assets released from restrictions:				
Satisfaction of program and time restrictions	1,446,402	(1,446,402)	-	-
	<u>2,888,122</u>	<u>(62,902)</u>	<u>2,825,220</u>	<u>3,317,810</u>
Total Support and Revenue				
	<u>2,888,122</u>	<u>(62,902)</u>	<u>2,825,220</u>	<u>3,317,810</u>
Expenses				
Program services	1,718,716	-	1,718,716	1,799,210
Supporting services:				
General and administrative	269,623	-	269,623	92,560
Fund-raising	172,321	-	172,321	214,055
Total Supporting services	441,944	-	441,944	306,615
	<u>2,160,660</u>	<u>-</u>	<u>2,160,660</u>	<u>2,105,825</u>
Total Expenses				
	<u>2,160,660</u>	<u>-</u>	<u>2,160,660</u>	<u>2,105,825</u>
Change in Net Assets	727,462	(62,902)	664,560	1,211,985
Beginning Net Assets	420,496	2,268,646	2,689,142	1,477,157
Ending Net Assets	<u>\$ 1,147,958</u>	<u>\$ 2,205,744</u>	<u>\$ 3,353,702</u>	<u>\$ 2,689,142</u>

See independent auditor's report and accompanying notes to the financial statements.

A Better Balance
(a Not - for - Profit Corporation)
Statement of Functional Expenses
Year Ended June 30, 2020
(With Summarized Financial Information for 2019)

	Program Services	Supporting Services			Total	2019
		General and Administrative	Fund-Raising	Direct Costs of Special Events	2020	
Salaries and wages	\$ 1,111,642	\$ 166,746	\$ 111,164	-	\$ 1,389,552	\$ 1,265,190
Payroll taxes and employee benefits	161,586	24,238	16,159	-	201,983	204,191
Rent	149,925	22,489	14,694	-	187,108	196,872
Professional fees	74,478	24,822	7,447	-	106,747	97,794
Travel and meals	56,197	3,122	3,122	-	62,441	66,315
Publicity and public relations	49,217	7,383	4,922	-	61,522	74,094
Website	29,738	4,461	2,974	-	37,173	13,096
Micro Grant	25,200	-	-	-	25,200	-
Books, subscriptions, reference	18,849	2,827	1,885	-	23,561	14,486
Office and other expenses	13,095	1,965	1,610	-	16,670	18,403
Telephone	12,761	1,914	1,276	-	15,951	25,739
Outside contract services	9,680	1,452	968	-	12,100	100,011
Venue and catering	-	-	-	9,300	9,300	37,808
Insurance	-	7,252	-	-	7,252	4,302
Fundraising expenses	-	-	5,466	-	5,466	13,655
Printing	3,054	458	304	-	3,816	6,291
Filing fees	1,649	247	165	-	2,061	2,326
Postage and delivery	1,645	247	165	-	2,057	3,060
	1,718,716	269,623	172,321	9,300	2,169,960	2,143,633
Less: Direct cost of special events deducted from income on Statement of Activities	-	-	-	(9,300)	(9,300)	(37,808)
Total Expenses	\$ 1,718,716	\$ 269,623	\$ 172,321	\$ -	\$ 2,160,660	\$ 2,105,826

A Better Balance
(a Not - for - Profit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2020
(With Summarized Financial Information for 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 664,560	\$ 1,211,985
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Grants and contributions receivable	273,334	(1,218,334)
Prepaid expenses	25,423	16,426
Security Deposit	(350)	-
Increase in operating liabilities:		
Accounts payable and accrued expenses	25,102	15,009
Advance on conditional contribution	344,300	-
Net cash provided by operating activities	<u>1,332,369</u>	<u>25,086</u>
Cash Flows from Investing Activities		
(Purchases) sales of marketable securities	<u>250,187</u>	<u>(250,187)</u>
Net cash used in investing activities	<u>250,187</u>	<u>(250,187)</u>
Increase (Decrease) in Cash	1,582,556	(225,101)
Beginning Cash	1,049,410	1,274,511
Ending Cash	<u>\$ 2,631,966</u>	<u>\$ 1,049,410</u>

See independent auditor's report and accompanying notes to the financial statements.

A Better Balance
(a Not - for - Profit Corporation)
Notes to Financial Statements
June 30, 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

A Better Balance (a Not - for - Profit Corporation) (the Organization), is a 501(c)(3) Not - for - Profit organization that promotes equality and expands choice for men and women at all income levels so they may care for their families without sacrificing their economic security. The Organization employs a range of legal strategies to promote flexible workplace policies, end discrimination against caregivers and value the work of caring for families.

A Better Balance (a Not - for - Profit Corporation) was incorporated in the State of New York in 2005.

Basis of Accounting

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 ("GAAP").

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and donor restricted net assets.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Donor restricted contributions that are expended for their restricted purpose in the same reporting period as received may be recorded as without donor restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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 the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the statement of activities. Certain expenses have been allocated based on estimates made by management such as time spent, quantities of items consumed, and the proportion of physical space used.

Cash

Cash consists of demand deposit accounts held at major financial institutions and may at times exceed the insurable amount. Management believes it mitigates its risk by investing in a major financial institution and in funds that are currently U.S. federal government insured. Recoverability of investments is dependent upon the performance of the issuer.

See independent auditor's report.

A Better Balance
(a Not - for - Profit Corporation)
Notes to Financial Statements
June 30, 2020

Note 1 - (Continued)

Investments

Investments are recorded at fair value. Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the Organization's financial statements.

Contribution Revenue

Contribution revenue is recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the same reporting period in which the Contribution revenue is recognized. All other donor restricted contributions are reported as increases in donor restricted net assets. When a restriction expires donor restricted net assets are reclassified to net assets without donor restrictions.

Revenue Recognition

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

Income is recognized on an accrual basis when earned.

Grants and Contributions Receivable

Unconditional promises to give are recognized in the period received both as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants and contributions receivable are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. For the year ended June 30, 2020, the allowance for doubtful accounts was \$0.

Contributions receivable are expected to be collected as follows:

Less than one year	\$ 470,000
One to five years	700,000
More than five years	-
Total	<u>\$ 1,170,000</u>
 Total	 \$ 1,170,000
Less: non – current portion	<u>700,000</u>
Current portion of pledges and grants receivable	<u>\$ 470,000</u>

See independent auditor's report.

A Better Balance
(a Not - for - Profit Corporation)
Notes to Financial Statements
June 30, 2020

Note 1 - (Continued)

Concentrations

Approximately 41% of total support and revenue was from one legal settlement fee during year ended June 30, 2020.

Approximately 97% of pledges and grants receivable were due from three organizations on June 30, 2020.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been provided for the accompanying financial statement.

Donated Services

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide various services that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 20, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. The COVID-19 outbreak is also disrupting supply chains and affecting production and sales across a wide range of industries. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. The extent of the impact of COVID-19 on the Companies operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's donors and customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition of the Organization or results of operations is uncertain.

Note 2- Employee benefits

Effective October 2010, the Board of Directors of the Organization adopted a 403(b) retirement plan. In accordance with the plan, employees can defer a percentage of their income. Matches of eligible contributions are made at the discretion of the Organization. The Organization has elected not to make any matching contributions to the plan for the year ended June 30, 2020.

See independent auditor's report.

A Better Balance
(a Not - for - Profit Corporation)
Notes to Financial Statements
June 30, 2020

Note 3 – Commitments

Lease

The Organization leases its premises on a yearly basis. On July 1, 2020, the Organization entered into one year lease agreement.

Future minimum license agreement payments under the agreement are as follows:

Year ending June 30, 2021	<u>\$ 70,980</u>
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Lease

The Organization entered into a lease agreement for a term that commenced on June 1, 2019 and expired on August 31, 2020.

Future minimum lease payments under the lease are as follows:

Year ending June 30, 2020	<u>\$ 2,277</u>
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Total rent expense under these two arrangements was \$187,108 for the year ended June 30, 2020.

Note 4 – Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the timing of program and fundraising activities. Monthly cash outflows vary each year based on the specific requirements of the program activities. To manage liquidity the Organization budgets cash flow and conducts fundraising and program activities that are timed according to expected requirements.

The following reflects the Organization's financial assets as of the balance sheet date:

Cash	\$ 2,631,966
Grants and contributions receivable	<u>1,170,000</u>
Total Financial assets	3,801,966
 Receivables scheduled to be collected in more than one year	 <u>(700,000)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 3,101,966</u>

See independent auditor's report.

A Better Balance
(a Not - for - Profit Corporation)
Notes to Financial Statements
June 30, 2020

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions by revenue source and changes therein for the year ended June 30, 2020 were as follows:

	Balance June 30, 2019	Additions	Releases from Restrictions	Balance June 30, 2020
<u>Restricted as to purpose:</u>				
Work with the Local Solutions Support Center	\$ 79,062	\$ 177,500	\$ 166,562	\$ 90,000
Fellowship	7,500	1,000	7,500	1,000
Staff Salaries	180,000	-	90,000	90,000
Fellowship / staff salary	-	40,000	30,000	10,000
Paid family leave	22,500	-	22,500	-
Paid leave efforts	-	50,000	50,000	-
Legal outreach strategies for low wage workers and immigrant communities	-	10,000	9,000	1,000
Fellowship	7,500	-	7,500	-
Legal support for low wage workers	-	70,000	46,670	23,330
<u>Restricted as to time:</u>				
March 1, 2020 to March 1, 2024	933,333	-	200,000	733,333
June 1, 2020 to May 1, 2021	-	500,000	41,670	458,330
January 1, 2020 to December 31, 2020	-	450,000	25,000	425,000
June 8, 2020 to May 1, 2020	166,667	-	166,667	-
April 1, 2020 to January 1, 2020	452,084	-	258,333	193,751
January 1, 2020 to December 31, 2020	225,000	-	150,000	75,000

See independent auditor's report.

A Better Balance
(a Not - for - Profit Corporation)
Notes to Financial Statements
June 30, 2020

Note 5 - (Continued)

**Restricted as to purpose
and time:**

Advocates for Paid Leave
October 1, 2019 to
September 30, 2020

-	70,000	52,500	17,500
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Institutional Capacity
Building
April 1, 2020 to
January 1, 2020

175,000	-	100,000	75,000
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Communications
Strengthening
September 17, 2019 to
December 1, 2020

20,000	-	20,000	-
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Salary for Legal consultant
June 1, 2020 to
November 30, 2020

-	15,000	2,500	12,500
<u>\$2,268,646</u>	<u>\$ 1,383,500</u>	<u>\$ 1,446,402</u>	<u>\$ 2,205,744</u>

See independent auditor's report.