

National Women's Law Center and Affiliates

Consolidated Financial Statements
and Independent Auditors' Report

For the Year Ended June 30, 2020

(with Summarized Financial Information for the Year Ended June 30, 2019)

National Women’s Law Center and Affiliates

Consolidated Financial Statements
For the Year Ended June 30, 2020
(with Summarized Financial Information for the Year Ended June 30, 2019)

Contents

Independent Auditors’ Report.....	1-3
<i>Consolidated Audited Financial Statements</i>	
Consolidated Statements of Financial Position.....	4
Consolidated Statement of Activities.....	5
Consolidated Statement of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements.....	8-29
<i>Description of Supplementary Information</i>	
National Women’s Law Center – Statement of Activities.....	31
National Women’s Law Center Fund LLC – Statement of Activities	32
National Women’s Law Center Action Fund – Statement of Activities.....	33

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of National Women's Law Center
The Board of Directors of the National Women's Law Center Action Fund
The Board of Managers of the National Women's Law Center Fund LLC

We have audited the accompanying consolidated financial statements of the National Women's Law Center, the National Women's Law Center Action Fund, and the National Women's Law Center Fund LLC (collectively, "the Organization"), which comprise the consolidated statement of financial position as of June 30, 2020; the related consolidated statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated 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 an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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.

Auditor's Responsibility (continued)

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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) and FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We previously audited the Organization's June 30, 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 5, 2019. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 31-33 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

Other Matter (continued)

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
January 14, 2021

National Women's Law Center and Affiliates

Consolidated Statements of Financial Position June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 22,457,765	\$ 22,539,686
Investments	37,264,231	38,186,671
Accounts receivable	2,338	54,975
Grants and contributions receivable, net	6,830,054	6,325,351
Prepaid expenses and security deposits	345,861	381,380
Property and equipment, net	777,572	984,169
Total assets	<u>\$ 67,677,821</u>	<u>\$ 68,472,232</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,182,039	\$ 3,021,761
Deferred compensation	563,181	574,973
Deferred rent and incentive allowance	938,734	1,231,622
Deferred revenue	-	7,395
Total liabilities	<u>3,683,954</u>	<u>4,835,751</u>
Net Assets		
Without donor restrictions	15,896,423	15,423,278
With donor restrictions	48,097,444	48,213,203
Total net assets	<u>63,993,867</u>	<u>63,636,481</u>
Total liabilities and net assets	<u>\$ 67,677,821</u>	<u>\$ 68,472,232</u>

See accompanying notes.

National Women's Law Center and Affiliates

Consolidated Statement of Activities
For the Year Ended June 30, 2020
(with Summarized Financial Information for the Year Ended June 30, 2019)

	Without Donor Restrictions			With Donor Restrictions	2020	2019
	Operating	Reserves	Total		Total	Total
Revenue and Support						
Grants	\$ -	\$ -	\$ -	\$ 13,287,433	\$ 13,287,433	\$ 12,178,209
Net investment return	-	260,958	260,958	620,051	881,009	2,972,049
Income from cash equivalents	248,179	-	248,179	-	248,179	339,775
Contributions, net of unrealized pledges	3,411,512	-	3,411,512	2,580,341	5,991,853	7,454,506
Donated goods and services	5,449,337	-	5,449,337	656,588	6,105,925	6,887,641
Other	55,683	-	55,683	-	55,683	176,915
Legal fees	407,924	-	407,924	-	407,924	-
Net assets released from restrictions and transfers:						
Appropriation of endowment income	1,255,026	-	1,255,026	(1,255,026)	-	-
Transfer from Reserves	540,360	(540,360)	-	-	-	-
Satisfaction of time and program restrictions	16,005,146	-	16,005,146	(16,005,146)	-	-
Total revenue and support	27,373,167	(279,402)	27,093,765	(115,759)	26,978,006	30,009,095
Expenses						
Program services:						
Child Care/Early Learning and Income Security	2,783,880	-	2,783,880	-	2,783,880	1,952,531
Reproductive Rights and Health	3,992,017	-	3,992,017	-	3,992,017	5,388,810
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	5,110,318	-	5,110,318	-	5,110,318	7,520,463
Women's Legal Rights	3,523,807	-	3,523,807	-	3,523,807	3,084,996
Workplace Justice and Education	7,836,982	-	7,836,982	-	7,836,982	7,088,063
Total program services	23,247,004	-	23,247,004	-	23,247,004	25,034,863
Supporting services:						
Administration	2,058,088	-	2,058,088	-	2,058,088	1,545,663
Development	1,315,528	-	1,315,528	-	1,315,528	1,192,890
Total supporting services	3,373,616	-	3,373,616	-	3,373,616	2,738,553
Total expenses	26,620,620	-	26,620,620	-	26,620,620	27,773,416
Change in Net Assets	752,547	(279,402)	473,145	(115,759)	357,386	2,235,679
Net Assets, beginning of year	4,166,043	11,257,235	15,423,278	48,213,203	63,636,481	61,400,802
Net Assets, end of year	\$ 4,918,590	\$ 10,977,833	\$ 15,896,423	\$ 48,097,444	\$ 63,993,867	\$ 63,636,481

See accompanying notes.

National Women's Law Center and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020
(with Summarized Financial Information for the Year Ended June 30, 2019)

	Program Services						Supporting Services		2020 Total	2019 Total
	Child Care/ Early Learning and Income Security	Reproductive Rights and Health	TIMES UP Legal Defense Fund and Legal Network for Gender Equity	Women's Legal Rights	Workplace Justice and Education	Total Program Services	Administration	Development		
Salaries, employee benefits, and payroll taxes	\$ 1,804,981	\$ 2,428,200	\$ 828,509	\$ 1,804,177	\$ 2,817,722	\$ 9,683,589	\$ 1,322,061	\$ 811,031	\$ 11,816,681	\$ 10,855,180
Occupancy	176,063	270,440	-	150,911	285,104	882,518	190,915	70,083	1,143,516	1,049,105
Office expenses and supplies	6,101	9,736	1,525	5,814	10,166	33,342	6,468	3,543	43,353	67,166
Equipment and furniture	5,573	8,760	-	5,280	9,025	28,638	5,895	2,097	36,630	97,695
Depreciation and amortization	40,942	74,389	-	35,093	66,299	216,723	44,376	16,297	277,396	215,635
Postage and shipping	494	832	195	1,664	3,669	6,854	1,163	15,307	23,324	19,417
Audit and accounting fees	-	-	-	-	-	-	32,593	-	32,593	30,818
Telephone	17,963	20,020	7,363	13,715	23,676	82,737	8,717	8,770	100,224	93,868
Printing and copying	8,020	8,943	2,763	13,076	32,923	65,725	2,787	14,028	82,540	98,249
Travel	24,365	48,857	29,337	85,094	72,119	259,772	6,910	15,534	282,216	451,822
Professional dues and registrations	4,275	24,171	1,708	30,152	14,394	74,700	20,586	3,784	99,070	118,429
Liability insurance	6,005	9,223	798	5,147	9,723	30,896	6,511	2,390	39,797	33,287
Subscriptions and publications	2,475	54,035	1,469	1,822	58,116	117,917	311	5,044	123,272	132,093
In-kind expenses	185,652	573,715	656,588	530,167	3,898,498	5,844,620	212,833	1,000	6,058,453	6,827,469
Consultants	397,713	375,161	334,759	537,843	439,824	2,085,300	107,432	196,422	2,389,154	1,694,631
Software services	30,452	50,645	13,106	27,811	59,646	181,660	22,262	51,428	255,350	222,371
Conferences	67,347	25,199	-	211,798	20,691	325,035	2,361	88,340	415,736	441,310
Litigation	-	-	2,831,515	5,961	600	2,838,076	-	-	2,838,076	4,614,770
Regranting	-	-	399,445	20,000	10,000	429,445	-	-	429,445	477,700
Employment procurement	5,459	9,691	1,238	38,282	4,787	59,457	1,711	10,430	71,598	193,071
Other miscellaneous	-	-	-	-	-	-	62,196	-	62,196	39,330
Total Expenses	\$ 2,783,880	\$ 3,992,017	\$ 5,110,318	\$ 3,523,807	\$ 7,836,982	\$ 23,247,004	\$ 2,058,088	\$ 1,315,528	\$ 26,620,620	\$ 27,773,416

See accompanying notes.

National Women's Law Center and Affiliates

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 357,386	\$ 2,235,679
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	277,396	215,635
Amortization of deferred incentive allowance	(155,471)	(265,680)
Net unrealized and realized gain	(835,919)	(2,428,878)
Change in discount on grants and contributions receivable	(29,622)	718
Change in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	52,637	84,887
Grants and contributions receivable	(475,081)	10,413,007
Prepaid expenses and security deposits	35,519	(175,231)
(Decrease) increase in:		
Accounts payable and accrued expenses	(839,722)	906,523
Deferred compensation	(11,792)	41,922
Deferred rent and incentive allowance	(137,417)	-
Deferred revenue	(7,395)	(114,562)
Net cash (used in) provided by operating activities	<u>(1,769,481)</u>	<u>10,914,020</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(70,799)	(372,376)
Purchases of investments	(1,744,206)	(6,235,763)
Proceeds from sales of investments	3,502,565	7,337,397
Net cash provided by investing activities	<u>1,687,560</u>	<u>729,258</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(81,921)	11,643,278
Cash and Cash Equivalents, beginning of year	<u>22,539,686</u>	<u>10,896,408</u>
Cash and Cash Equivalents, end of year	<u>\$ 22,457,765</u>	<u>\$ 22,539,686</u>

See accompanying notes.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

1. Organization and Summary of Significant Accounting Policies

Organizations

The National Women’s Law Center (NWLC) is organized and operated for charitable and educational purposes under Section 501(c)(3) of the Internal Revenue Code (IRC), and was incorporated in the District of Columbia in 1981. NWLC is the sole member of the National Women’s Law Center Action Fund (the Action Fund). The Action Fund is organized and operated for social welfare purposes under Section 501(c)(4) of the IRC and was incorporated in the District of Columbia in 2012. The primary purpose of each of these two organizations is to advance and protect women’s legal rights in areas such as employment, health and reproductive rights, family economic security, and education.

NWLC is also the sole member of the National Women’s Law Center Fund LLC (the LLC), which was organized as a limited liability company in the District of Columbia in 2018. The LLC is a disregarded entity for tax purposes and, therefore, has the same 501(c)(3) tax-exempt status as NWLC. The LLC is dedicated to the purpose of helping individuals who face sex discrimination and other forms of sexual harassment connect with legal representation and public relations assistance.

All three of the entities’ activities are funded primarily through grants and contributions from private foundations, corporations, and individuals.

Principles of Consolidation

Consolidated financial statements are presented due to NWLC’s controlling interest in the Action Fund and the LLC, respectively. The Action Fund and the LLC each share certain personnel and overhead costs with NWLC. The shared costs are allocated between NWLC and the Action Fund and NWLC and the LLC, respectively, based on usage, at cost or fair market value. The Action Fund and the LLC each have a cost-sharing agreement with NWLC which specifies the cost allocation methodology. All inter-entity balances and significant transactions have been eliminated in consolidation. Except when referred to separately, all three entities are collectively referred to as “the Organization” throughout the accompanying consolidated financial statements and related notes.

Cash Equivalents

The Organization considers money market funds and certificates of deposit having a maturity of less than one year to be cash equivalents except when such instruments are held for long-term purposes.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Investments

All investments are owned by NWLC and consist primarily of an ownership interest in externally managed pooled funds. The securities in the pooled funds include common stock, corporate bonds and notes, U.S. government obligations, international equities, and interests in privately held funds and limited liability companies. The pooled funds are considered alternative investments as there is no readily determinable market price for the funds, although most of the underlying securities in the pooled funds are publicly traded and are valued using readily determinable market prices.

All pooled funds are carried at fair value as provided by the investment managers. Management reviews the valuation provided by the investment managers of both the publicly traded and non-publicly traded investments and agrees with the valuation methods and assumptions used by the investment managers in determining the fair value of all the funds, which may be based on historical cost, appraisals, obtainable prices for similar assets, or other assets and estimates. Interest, dividends, and realized gains or losses are recorded when earned. Fluctuations in the market value of the portfolio are recorded as unrealized gains or losses.

From time-to-time, a small portion of NWLC's investments may be invested in FDIC-insured money market funds, certificates of deposit, and cash.

Receivables

Accounts receivable typically consist of interest receivable, employee advances, court-approved attorneys' fees, and other trade-related receivables. These amounts are stated at net realizable value.

Grants and contributions receivable consist of unconditional promises from private foundations and individual donors to donate funds. These amounts are stated at net realizable value, with multi-year grants stated at net present value.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Property, Equipment, and Related Depreciation and Amortization

Property and equipment are stated at cost. Expenditures for major additions, renewals, and improvements are capitalized; expenditures for repairs and maintenance are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation and amortization are eliminated from the accounts and the resulting gain or loss is recorded. Depreciation of furniture and equipment is computed using the straight-line method over the estimated useful service lives of the assets ranging from three to ten years. Amortization of leasehold improvements is computed using the straight-line method over the useful life of the improvement or the remaining term of the lease, whichever is less.

All property and equipment as of June 30, 2020, were owned by NWLC. Depreciation and amortization costs are allocated to NWLC, the Action Fund, and the LLC based on a cost-sharing agreement.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that 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.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Organization reports unconditional gifts and grants of cash and other assets as unrestricted and available for general operations unless specifically restricted by the donor. If gifts and grants are received with donor stipulations that limit the use of the donated funds or assets to a particular purpose or to specific time periods, the Organization reports them as restricted. When a donor 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 consolidated statement of activities as net assets released from restrictions. Conditional promises to give are not included as support until the conditions are substantially met.

Unconditional gifts and grants that are expected to be collected within one year are recorded at net realizable value. Unconditional gifts and grants that are expected to be collected beyond one year are recorded at the present value of their estimated future cash flows. The portions of unconditional gifts and grants that were discounted in prior fiscal years and collected in the current year are recorded as revenue in the current year. Gifts and grants are recorded among NWLC's, the LLC's, or the Action Fund's various programs and supporting services, as appropriate, based upon the program or supporting services directly benefited. See Note 8.

Revenue is recorded in the period in which it is earned. Deferred revenue consists of the fair market value of tickets for attendance at NWLC's annual dinner received in a year prior to the annual dinner, which is recognized as revenue when the dinner occurs. There was no deferred revenue at June 30, 2020.

Donated Goods and Services

The Organization receives donations of both external and in-house services of attorneys, legal fellows, law students, and other professionals. The Organization also receives donations of other goods and services. The value of these goods and services is recorded based on the estimated fair market value of the goods and services provided and is shown as donated goods and services in the accompanying consolidated statement of activities. Such donated goods and services are recorded among NWLC's and the Action Fund's various programs and supporting services, as appropriate, based upon the program or supporting services directly benefited. See Note 8.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

The Organization expenses advertising costs as incurred. There were no advertising expenses during the year ended June 30, 2020.

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adopted Accounting Pronouncements

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended, supersedes or replaces nearly all revenue recognition guidance under accounting principles generally accepted in the United States of America. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has implemented Topic 606 and has adjusted, if applicable, the presentation in these consolidated financial statements accordingly. The amendments have been applied retrospectively to all periods presented. The implementation had no impact on the previously reported net assets.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

1. Organization and Summary of Significant Accounting Policies (continued)

Adopted Accounting Pronouncements (continued)

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in these consolidated financial statements under a modified prospective basis. The implementation had no impact on the previously reported net assets.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its consolidated statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Organization's fiscal year 2023.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 14, 2021, the date the consolidated financial statements were available to be issued.

The COVID-19 outbreak in the United States and around the world has caused business disruption due to mandatory lockdowns implemented in most states in order to slow down the spread of virus. The Organization's management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic, including cancelling certain events and transitioning to virtual operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration, and the full financial impact cannot be reasonably estimated at this time.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

2. Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Management periodically reviews the Organization’s liquid asset needs and adjusts the cash and cash equivalent balances as necessary. Amounts in excess of operating liquidity are invested in various short-term certificates of deposits and highly liquid securities.

The Organization’s governing Board has designated a portion of its unrestricted resources for the Board-Designated Long-Term Reserve Fund. These amounts are intended to provide emergency funds to cover at least six months of NWLC’s core annual expenses and to generate income for NWLC’s operations; however, they remain available and may be spent at the discretion of the Board. These amounts are considered available for general expenditures.

Additionally, the Organization considers net assets with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Short-term investments amounts include 5% of the Endowment fund’s three-year rolling average, as described in Note 9, that are transferred to operating accounts each month. These amounts are also considered available for general expenditures.

Excluded from total available for general expenditures is the portion of the endowments that is donor-restricted and held in perpetuity. The corpus of these endowments is described in more detail in Note 9.

These financial assets that are available for general expenditures within one year of the consolidated statement of financial position date, comprise the following at June 30, 2020:

Cash and cash equivalents	\$ 22,457,765
Short-term investments	3,391,562
Accounts receivable	2,338
Grants and contributions receivable – due within one year	6,070,577
Less: corpus of endowments	<u>(19,182,895)</u>
Total available for general expenditures	<u>\$ 12,739,347</u>

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

3. Investments and Fair Value Measurements

Only NWLC has investments. NWLC's investments totaled \$37,264,231 at June 30, 2020, and are summarized below.

CFI Multi-Strategy Equity Fund (MSEF)	\$ 21,544,499
CFI Multi-Strategy Bond Fund, LLC (MSBF)	10,491,100
Capital Partners VI, LP (CPVI)	1,486,964
Capital Partners VII, LP (CPVII)	<u>350,106</u>
Total investments in pooled funds	33,872,669
FDIC-insured money market funds and cash	<u>3,391,562</u>
Total investments	<u><u>\$ 37,264,231</u></u>

The pooled funds are considered to be alternative investments as these funds are not publicly traded. For the year ended June 30, 2020, most of NWLC's interest in the Commonfund's Multi-Strategy Equity Fund (MSEF) (equity investments) and the Commonfund's Multi-Strategy Bond Fund (MSBF) (fixed income investments) consisted of underlying securities that are publicly traded. NWLC's interest in the Commonfund's Capital Partners VI Fund (CPVI) and Capital Partners VII Fund (CPVII) consisted of private capital securities that are not publicly traded.

NWLC had no unfunded commitments to either the MSEF or MSBF as of June 30, 2020. However, at June 30, 2020, NWLC had outstanding commitments to invest \$455,500 in the CPVI Fund and \$675,000 in the CPVII Fund. NWLC will meet this commitment by using a portion of its other investments. As of June 30, 2020, a capital call schedule for neither CPVI nor CPVII existed, but NWLC anticipates that the capital calls will continue for several years for both of these funds.

Investment returns for NWLC consisted of the following for the year ended June 30, 2020:

Unrealized gains	\$ 733,750
Interest and dividends	133,930
Private Capital realized gains and other	102,169
Investment management fees	<u>(88,840)</u>
Total net investment return	<u><u>\$ 881,009</u></u>

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

3. Investments and Fair Value Measurements (continued)

The total unrealized gains of \$733,750 are included in net investment return in the accompanying consolidated statement of activities for the year ended June 30, 2020.

In accordance with the fair value measurements and disclosures topic of FASB Accounting Standards Codification (ASC), NWLC has categorized its applicable financial instruments into a required fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input, both individually and in the aggregate, that is significant to the fair value measurement. Observable inputs include market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The three levels of fair value hierarchy and associated investment types are described as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that NWLC has the ability to access at the measurement date. Market price data are generally obtained from relevant exchange or dealer markets.

Level 2 – Inputs are those other than quoted prices included within Level 1 that are observable, either directly or indirectly, in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities. Inputs are obtained from various sources including market participants, dealers, and brokers.

Level 3 – Inputs are those that are unobservable; for example, because there is little or no market activity at the measurement date.

NWLC has investments in each of these three categories, with the preponderance of its investments in Level 2 investments.

NWLC's investments in FDIC-insured money market funds and cash, representing 9.1% of NWLC's investments at June 30, 2020, are categorized as Level 1 investments. The money market funds, included in this amount, can be sold on a daily basis in an active market, meeting the definition of a Level 1 investment.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

3. Investments and Fair Value Measurements (continued)

NWLC’s investments in the MSEF and MSBF, representing 86% of NWLC’s investments at June 30, 2020, are categorized as Level 2 investments. When the classification within the fair value hierarchy of a fair value measurement of an investment is measured at net asset value per share and if a reporting entity has the ability to redeem its investment with the investee within 90 days at the net asset value per share at the measurement date, the fair value measurement of the asset is categorized as a Level 2 fair value measurement. NWLC’s investments in the MSEF and MSBF meet these criteria, because NWLC can redeem its investments in the MSEF and MSBF in any month on the last business day of the month (with 5 business days’ notice) at the net asset value per share in effect on the last business day of the month. Redemption proceeds are generally paid on the first business day of the following month, except in the case of 100% redemption, when 90% is generally paid on the first business day of the following month, with the remaining 10% paid within 30 days.

NWLC’s investments in the CPVI and CPVII, representing 4.9% of NWLC’s investments at June 30, 2020, are categorized as Level 3 investments as the investments are limited partnerships with no redemption rights or market activity at the measurement date. The termination date for the CPVI partnership is scheduled to be January 20, 2027, and for the CPVII partnership is scheduled to be February 21, 2030, each subject to a potential extension of up to three years at the discretion of the general partner.

The following is a schedule of NWLC’s investments in pooled funds detailing the three levels of the fair value hierarchy as of June 30, 2020:

	Level 1	Level 2	Level 3	Total fair value
FDIC-insured money				
market funds and cash \$	3,391,562	\$ -	\$ -	\$ 3,391,562
MSEF	-	21,544,499	-	21,544,499
MSBF	-	10,491,100	-	10,491,100
CPVI	-	-	1,486,964	1,486,964
CPVII	-	-	350,106	350,106
Total	\$ 3,391,562	\$ 32,035,599	\$ 1,837,070	\$ 37,264,231

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

3. Investments and Fair Value Measurements (continued)

Fair value measurements using unobservable inputs (Level 3) were as follows:

Balance at June 30, 2019	\$ 1,486,755
Transfers into Level 3	226,009
Realized losses and net operating deficit	31,199
Unrealized gains	<u>93,107</u>
Balance at June 30, 2020	<u>\$ 1,837,070</u>

4. Receivables

Accounts receivable at June 30, 2020 are attributable to NWLC for \$2,338. All accounts receivable are deemed fully collectible at June 30, 2020.

Grants and contributions receivable at June 30, 2020, include unconditional promises from private foundations and individual donors to give monies to NWLC and are due, as follows:

Less than one year	\$ 6,070,577
One to three years	<u>761,600</u>
Total	6,832,177
Less: discount to net present value using 0.9%	<u>(2,123)</u>
Grants and contributions receivable, net	<u>\$ 6,830,054</u>

All grants and contributions receivable are stated at net present value and are deemed fully collectible.

5. Summary Financial Information for NWLC, the Action Fund, and the LLC

NWLC, the Action Fund, and the LLC have each determined that it is in their respective mutual best interests to minimize duplicative expenses to carry out their complementary purposes in an economical and efficient manner by sharing employees, office space, and equipment. Shared costs are allocated between NWLC and the Action Fund and NWLC and the LLC, respectively, based on usage, at cost or fair market value as set forth in applicable cost-sharing agreements. Income and expenses for each separate entity are provided in the Supplementary Information attached to the consolidated financial statements.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

6. Property, Equipment, and Accumulated Depreciation and Amortization

NWLC held the following property and equipment as of June 30, 2020:

Furniture, software, and equipment	\$	146,817
Leasehold improvements		1,479,260
Intangible assets		<u>57,500</u>
Total property and equipment		1,683,577
Less: accumulated depreciation and amortization		<u>(906,005)</u>
Property and equipment, net	\$	<u><u>777,572</u></u>

Property and equipment purchased with NWLC’s tenant improvement allowance described in Note 7 is recorded as a leasehold improvement for consolidated financial statement purposes. Depreciation and amortization expense of \$277,396 for the year ended June 30, 2020, was allocated to NWLC, the Action Fund, and the LLC based on the cost-sharing agreement described in Note 5.

7. Commitments and Contingencies

Concentration

The Organization’s cash and cash equivalents are comprised of amounts in accounts at various financial institutions; most of these amounts are insured by the Federal Deposit Insurance Corporation (FDIC).

Operating Lease

Effective July 1, 2014, NWLC entered into a 104-month, non-cancellable operating lease for office space that terminates on February 28, 2023. The lease requires NWLC to pay annual rent escalations of 2.5% commencing on July 1, 2015, as well as to pay its proportionate share of any increase in operating expenses and real estate taxes, which commenced on January 1, 2016. Effective March 8, 2019, NWLC amended its current lease to include expanded premises. The amended lease commenced on June 30, 2019 and is scheduled to terminate on February 28, 2023. The amended lease requires NWLC to pay annual rent escalations of 2.5% commencing on July 1, 2019, as well as to pay its proportionate share of any increase in operating expenses and real estate taxes required for the expanded premises.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

7. Commitments and Contingencies (continued)

Operating Lease (continued)

The lease also provides rental abatements and a tenant improvement allowance for leasehold improvements, furniture, and equipment. As of June 30, 2020, NWLC had utilized total rental abatements of \$943,080 and expended its full tenant improvement allowance of \$1,088,160.

Under GAAP, all rental payments, including fixed rent increases, less any rental abatements, are recognized on a straight-line basis over the term of the lease. Lease incentives are amortized over the life of the lease on a straight-line basis as an offset to rent expense. The difference between GAAP rent expense and the actual lease payments is reflected as deferred rent and incentive allowance in the accompanying consolidated statements of financial position.

Rent expense of \$1,148,403 for the year ended June 30, 2020, was allocated to NWLC, the Action Fund, and the LLC based on the cost-sharing agreement described in Note 5.

Future minimum lease rental payments under the lease agreement are as follows for the years ending June 30:

2021	\$ 1,216,252
2022	1,246,658
2023	<u>851,883</u>
Total	<u>\$ 3,314,793</u>

An irrevocable letter of credit of \$23,129 was accepted as a security deposit by the landlord. The bank required NWLC to purchase a certificate of deposit for the same amount to collateralize the letter of credit. This amount is included in prepaid expenses and security deposits in the accompanying consolidated statements of financial position.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

7. Commitments and Contingencies (continued)

Collective Bargaining Agreement

On April 22, 2020, NWLC entered into a voluntary recognition process agreement with IFPTE Local 70/NPEU ("the Union") to recognize the Union as the collective bargaining representative of a group of NWLC's employees. The Bargaining Unit shall consist of the Employer's full-time (i.e., working at least 37.5 hours a week) and regular part-time (i.e., working at least 20 hours a week) employees, but excludes temporary employees (i.e., hired to work for less than 6 months); interns; and supervisors (employees and positions that NWLC's management and the Union agree to include in the proposed Bargaining Unit), managers, confidential employees and guards as defined by the National Labor Relations Act. The terms of the collective bargaining agreement with the Union are expected to be negotiated starting in 2021.

8. Net Assets

Net Assets Without Donor Restrictions Including Board-Designated Funds

The net assets without donor restrictions of NWLC consist of an operating fund and an NWLC Board-Designated Long-Term Reserve Fund ("the Long-Term Reserve Fund"). The Long-Term Reserve Fund, which includes unencumbered endowment earnings, transfers from operations to the Long-Term Reserve Fund, and the MARGARET Fund reserve account, is intended to provide emergency funds to cover at least six months of NWLC's core annual expenses and to generate income for NWLC's operations. NWLC's investment policy was modified after June 30, 2018, to separate the Long-Term Reserve Fund into two separate funds—the Long-Term Reserve Fund and the Unencumbered Endowment Earnings Fund for internal management purposes. The policy modification also specified that NWLC should consider certain amounts of the operating budget when determining the adequacy of its emergency funds.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

8. Net Assets (continued)

Net Assets Without Donor Restrictions Including Board-Designated Funds (continued)

The MARGARET Fund (approximately 18% of the Long-Term Reserve Fund at June 30, 2020) is intended to support NWLC’s work, including its work on Title IX, to educate a large number of attorneys, policy makers, administrators, and other interested persons to effect change and ensure equity for girls and women.

Net assets without donor restrictions of the Organization at June 30, 2020 were attributable to NWLC, the LLC, and the Action Fund. Such amounts are provided in the following table.

	NWLC	LLC	Action Fund	Total
Operating fund	\$ 4,465,742	\$ 338,301	\$ 114,547	\$ 4,918,590
Long-Term Reserve Fund:				
Unencumbered				
Endowment Earnings Fund	4,437,687	-	-	4,437,687
MARGARET Fund	1,946,996	-	-	1,946,996
Other amounts in the Long-Term Reserve Fund	4,593,150	-	-	4,593,150
Total Long-Term Reserve Fund	10,977,833	-	-	10,977,833
Total net assets without donor restrictions	\$ 15,443,575	\$ 338,301	\$ 114,547	\$ 15,896,423

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements June 30, 2020

8. Net Assets (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions for NWLC, the LLC, and the Action Fund are available for the following purposes and time periods as of June 30, 2020.

	<u>NWLC</u>	<u>LLC</u>	<u>Action Fund</u>	<u>Total</u>
Purpose restricted:				
Nokomis Endowment	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Reproductive Rights and Health Child Care/Early Learning and Income Security	4,143,088	-	64,743	4,207,831
Workplace Justice & Education	1,156,479	-	-	1,156,479
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	1,122,814	-	-	1,122,814
Women’s Legal Rights	-	11,507,508	-	11,507,508
Named Funds:	600,787	-	-	600,787
Joan and James Bernstein Fund	42,319	-	-	42,319
Legacy Fund	258,999	-	-	258,999
Total purpose restricted	8,324,486	11,507,508	64,743	19,896,737
Time restricted:				
Unappropriated Ford Endowment earnings	4,967,896	-	-	4,967,896
Unappropriated Nokomis Endowment earnings	1,143,669	-	-	1,143,669
Restricted for fiscal year 2020 and beyond	2,906,247	-	-	2,906,247
Total time restricted	9,017,812	-	-	9,017,812
Endowment:				
Ford Endowment	14,182,895	-	-	14,182,895
Nokomis Endowment	5,000,000	-	-	5,000,000
Total endowment	19,182,895	-	-	19,182,895
Total net assets with donor restrictions	\$ 36,525,193	\$ 11,507,508	\$ 64,743	\$ 48,097,444

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

9. NWLC Endowments

Description of NWLC Endowments and Associated Interpretation of Law

Ford Endowment

During the three years ending June 30, 2007, NWLC received three conditional grants from the Ford Foundation (“the Foundation”), totaling \$10,000,000, to start its Ford Endowment and pay the operating expenses of the endowment campaign. NWLC met the conditions of these grants, which included raising additional monies from outside contributors. NWLC classifies the original value of monies received from these Foundation grants and from other contributors to meet the Foundation’s grant conditions, net of allowable campaign expenses, as net assets with donor restrictions (collectively, “Ford Endowment”).

At the time of the endowment grants from the Ford Foundation, the management and investment of endowment funds in the District of Columbia were governed by the Uniform Management of Institutional Funds Act (UMIFA), which generally provided that, in the absence of overriding donor stipulation, spending from an endowment fund was limited to the fund’s “historic dollar value,” defined as the value of contributions made to the fund, without increases or decreases because of investment results, inflation, or anything else. Under the terms of the Foundation’s grant agreements to NWLC, the Ford Endowment was required “to be maintained on a permanent basis.”

In addition, under the agreements, 100% of the income and net appreciation may be spent each year but the principal is not to be spent except in an emergency and with the permission of NWLC’s Board of Directors. NWLC’s Board of Directors interpreted the terms of the Foundation’s endowment grants as consistent with UMIFA by requiring the preservation of the historic dollar value of the Ford Endowment. In January 2008, the District of Columbia replaced UMIFA with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA prescribes new guidelines for expenditure of an endowment fund, subject to the intent of the donor specified in the gift instrument. NWLC’s Board of Directors continues to regard the agreements issued in connection with the Foundation’s grants as providing such a donor specification for the Ford Endowment.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

9. NWLC Endowments (continued)

Description of NWLC Endowments and Associated Interpretation of Law (continued)

Nokomis Endowment

In 2013, the Nokomis Foundation approved a legacy grant to NWLC in the amount of \$6,000,000 to be held as an endowment to provide unrestricted general support for NWLC. NWLC received the funds on May 30, 2014.

Under the terms of the grant, the Nokomis Endowment is governed by the laws of the District of Columbia, currently UPMIFA. UPMIFA provides that, subject to the intent of the donor specified in the gift instrument, an institution may appropriate for expenditure, or accumulate as much of an endowment fund that the institution determines is prudent for the use, benefits, purposes, and duration for which the endowment fund is established.

Return Objectives, Risk Parameters, and Strategies, for NWLC Endowments

Return Objectives and Risk Parameters

NWLC has adopted investment and spending policies for both the Ford and Nokomis Endowments, respectively, which attempt to provide a predictable stream of funding to NWLC and to maintain the purchasing power of the funds. Given the relationship between risk and return, a fundamental step in determining the investment policy for the endowment funds is the determination of an appropriate risk tolerance. After taking into consideration such factors as NWLC's financial stability, uncertainty of cash flows in and out of the endowment funds over the long term, and capital market volatility, NWLC's Board of Directors believes a moderate risk strategy is prudent. Under this policy, as approved by NWLC's Board of Directors, the long-term goal for the investment objective of the Ford Endowment and Nokomis Endowment funds are to (1) preserve the real purchasing power (after inflation) of the principal donated to create the endowment, taking into consideration the assets in Unencumbered Endowment Earnings Fund and (2) provide a stable source of perpetual financial support.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

9. NWLC Endowments (continued)

Return Objectives, Risk Parameters, and Strategies, for NWLC Endowments (continued)

Strategies Employed for Achieving Objectives.

To satisfy its long-term rate-of-return objectives for the Endowments, NWLC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). NWLC targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policies for NWLC Endowments

The spending policies for NWLC's Endowments are designed to be consistent with the terms of the endowment grants and NWLC's strategies for achieving its endowment objectives. The spending policy approved by NWLC's Board of Directors for the Ford Endowment permits NWLC to spend up to 5% of the Endowment fund's three-year rolling average, so long as spending from the Ford Endowment does not reduce the fund below its historic dollar value, except spending may reduce the fund below its historic dollar value in emergency circumstances with the prior approval of NWLC's Board of Directors.

The spending policy approved by NWLC's Board of Directors for the Nokomis Endowment permits NWLC to spend up to 5% of the Endowment fund's three-year rolling average, so long as spending from the Nokomis Endowment is consistent with the prudence standards of UPMIFA as enacted by the District of Columbia. Accordingly, over the long term, NWLC expects its spending policies to allow both the Ford and the Nokomis Endowments to grow. The spending policies are consistent with NWLC's objectives to provide a predictable stream of funding to NWLC and to maintain the purchasing power of the Endowments, as well as to provide additional real growth through new gifts and investment return.

Fund Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the permanently restricted amounts of each of the funds, respectively. There were no deficiencies in either the Ford or the Nokomis Endowments at June 30, 2020.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2020

9. NWLC Endowments (continued)

Composition of and Changes in NWLC Endowments

The following table shows the changes for the two Endowments that comprise NWLC’s total endowment funds for the year ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning balance			
Ford	\$ -	\$ 19,614,700	\$ 19,614,700
Nokomis	-	7,314,734	7,314,734
Total beginning balance	-	26,929,434	26,929,434
Investment return			
Investment return:			
Ford	-	85,398	85,398
Nokomis	-	30,862	30,862
Total investment return	-	116,260	116,260
Net appreciation:			
Ford	-	364,868	364,868
Nokomis	-	138,922	138,922
Total net appreciation	-	503,790	503,790
Total investment return	-	620,050	620,050
Appropriation of assets			
Ford	-	(914,175)	(914,175)
Nokomis	-	(340,849)	(340,849)
Total appropriation of assets	-	(1,255,024)	(1,255,024)
Ending balance			
Ford	-	19,150,791	19,150,791
Nokomis	-	7,143,669	7,143,669
Total ending balance	\$ -	\$ 26,294,460	\$ 26,294,460

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

10. Functionalized Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization allocates certain expenses directly to specific functions, and other indirect expenses are allocated across all functions based on labor hours.

11. Pension Benefits

Defined Contribution Plan

NWLC participates in a defined contribution IRC Section 403(b) plan covering substantially all employees meeting the eligibility requirements. NWLC contributes to the plan according to a graduated percentage based on each employee's years of service. NWLC contributes 3% of eligible compensation after an employee completes three months of service through three years of service, with such percentage increasing by 1% per year of service up to 6% after five or more years of service. The total annuity contribution expense of \$357,998 for the year ended June 30, 2020, was allocated to NWLC, the Action Fund, and the LLC based on the cost-sharing agreement described in Note 5.

Tax Deferred Annuity Plan

NWLC participates in a contributory tax-deferred annuity plan under IRC Section 403(b) covering substantially all employees. Voluntary employee contributions are made on a semi-monthly basis subject to legal limits. NWLC does not contribute any matching or employer contributions to the tax-deferred annuity plan.

Deferred Compensation

NWLC's Compensation Committee established a tax-qualified deferred compensation plan ("the Tax-Qualified Plan") on behalf of certain key executives of NWLC in 2002. Organized under IRC Section 457(b), the Tax-Qualified Plan is unfunded and any distributions under the Tax-Qualified Plan are to be made out of the general assets of NWLC. Participants in the Tax-Qualified Plan are immediately 100% vested in the employer contributions made. Total contribution expense of \$16,206 for the year ended June 30, 2020, was allocated to NWLC, the Action Fund, and the LLC based on the cost-sharing agreement described in Note 5.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2020

12. Joint Costs

Joint costs that encompassed both program and fundraising activities, all of which were NWLC costs, totaled \$385,543 for the year ended June 30, 2020; \$259,128 was allocated to Program Services and \$126,415 was allocated to Development (fundraising).

13. Prior Year Information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class, for the consolidated statements of activities and functional expenses. The summary information for the year ended June 30, 2019, was obtained from the Organization's consolidated audited financial statements for the year ended June 30, 2019. Because the prior year consolidated statements of activities and functional expenses are provided as summary information, they do not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2019.

14. Income Taxes

NWLC and the LLC are exempt from the payment of taxes on income other than net unrelated business income under IRC Section 501(c)(3) and file a consolidated tax return. As of June 30, 2020, no provision for income taxes was made, as NWLC believes that the income tax, if any, on any net unrelated business income from NWLC's private capital investments will be immaterial. Contributions to NWLC and the LLC are tax-deductible by donors, as provided in IRC Section 170(b)(1)(A)(vi).

The Action Fund is exempt from the payment of taxes on income other than net unrelated business income under IRC Section 501(c)(4). At June 30, 2020, no provision for income taxes was made, as the Action Fund had no unrelated business income. Contributions to the Action Fund are not tax-deductible by donors.

15. Uncertain Tax Positions

Pursuant to FASB ASC 740-10, the Organization reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertain tax positions. At June 30, 2020, management did not identify any uncertain tax positions requiring recognition or disclosure in these consolidated financial statements. Tax years reasonably considered open and subject to examination for the Organization are the years ended June 30, 2017, through June 30, 2019.

SUPPLEMENTARY INFORMATION

The following pages present the unconsolidated Statements of Activities for the National Women’s Law Center and the National Women’s Law Center Action Fund, respectively. This supplementary information provides additional information about the respective entities and is not a required part of the consolidated financial statements. This supplementary information is intended to be stand-alone statements, and therefore, does not include any consolidation entries.

National Women's Law Center

Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Reserves	Total		
Revenue and Support					
Grants	\$ -	\$ -	\$ -	\$ 13,162,433	\$ 13,162,433
Net investment return	-	260,958	260,958	620,051	881,009
Income from cash equivalents	100,761	-	100,761	-	100,761
Contributions	3,395,712	-	3,395,712	2,578,544	5,974,256
Donated goods and services	5,449,337	-	5,449,337	-	5,449,337
Other	55,683	-	55,683	-	55,683
Legal fees	407,924	-	407,924	-	407,924
Net assets released from restrictions and transfers:					
Appropriation of endowment income	1,255,026	-	1,255,026	(1,255,026)	-
Transfer from Reserves	540,360	(540,360)	-	-	-
Satisfaction of time and program restrictions	12,602,904	-	12,602,904	(12,602,904)	-
Total revenue and support	23,807,707	(279,402)	23,528,305	2,503,098	26,031,403
Expenses					
Program services:					
Child Care/Early Learning and Income Security	2,783,880	-	2,783,880	-	2,783,880
Reproductive Rights and Health	3,987,624	-	3,987,624	-	3,987,624
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	2,189,945	-	2,189,945	-	2,189,945
Women's Legal Rights	3,523,807	-	3,523,807	-	3,523,807
Workplace Justice and Education	7,836,982	-	7,836,982	-	7,836,982
Total program services	20,322,238	-	20,322,238	-	20,322,238
Supporting services:					
Administration	1,590,222	-	1,590,222	-	1,590,222
Development	1,305,918	-	1,305,918	-	1,305,918
Total supporting services	2,896,140	-	2,896,140	-	2,896,140
Total expenses	23,218,378	-	23,218,378	-	23,218,378
Change in Net Assets	589,329	(279,402)	309,927	2,503,098	2,813,025
Net Assets, beginning of year	3,876,413	11,257,235	15,133,648	34,022,095	49,155,743
Net Assets, end of year	\$ 4,465,742	\$ 10,977,833	\$ 15,443,575	\$ 36,525,193	\$ 51,968,768

National Women's Law Center Fund LLC

Statement of Activities
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Income from cash equivalents	\$ 147,326	\$ -	\$ 147,326
Contributions	-	1,797	1,797
Donated goods and services	-	656,588	656,588
Contributions from affiliates	-	2,189,945	2,189,945
Net assets released from restrictions:			
Satisfaction of time and program restrictions	5,531,930	(5,531,930)	-
	<u>5,679,256</u>	<u>(2,683,600)</u>	<u>2,995,656</u>
Total revenue and support			
	<u>5,679,256</u>	<u>(2,683,600)</u>	<u>2,995,656</u>
Expenses			
Program services:			
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	5,110,318	-	5,110,318
	<u>5,110,318</u>	<u>-</u>	<u>5,110,318</u>
Total program services			
	<u>5,110,318</u>	<u>-</u>	<u>5,110,318</u>
Supporting services:			
Administration	421,612	-	421,612
Development	-	-	-
	<u>421,612</u>	<u>-</u>	<u>421,612</u>
Total supporting services			
	<u>421,612</u>	<u>-</u>	<u>421,612</u>
Total expenses			
	<u>5,531,930</u>	<u>-</u>	<u>5,531,930</u>
Change in Net Assets	147,326	(2,683,600)	(2,536,274)
Net Assets, beginning of year	<u>190,975</u>	<u>14,191,108</u>	<u>14,382,083</u>
Net Assets, end of year	<u>\$ 338,301</u>	<u>\$ 11,507,508</u>	<u>\$ 11,845,809</u>

National Women's Law Center Action Fund

Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants	\$ -	\$ 125,000	\$ 125,000
Income from cash equivalents	92	-	92
Contributions	15,800	-	15,800
Net assets released from restrictions:			
Satisfaction of time and program restrictions	60,257	(60,257)	-
Total revenue and support	76,149	64,743	140,892
Expenses			
Program services:			
Reproductive Rights and Health	4,393	-	4,393
Total program services	4,393	-	4,393
Supporting services:			
Administration	46,254	-	46,254
Development	9,610	-	9,610
Total supporting services	55,864	-	55,864
Total expenses	60,257	-	60,257
Change in Net Assets	15,892	64,743	80,635
Net Assets, beginning of year	98,655	-	98,655
Net Assets, end of year	\$ 114,547	\$ 64,743	\$ 179,290