

National Women's Law Center and Affiliates

Consolidated Financial Statements
and Independent Auditor's Report

For the Year Ended June 30, 2023

(with Summarized Financial Information for the Year Ended June 30, 2022)

National Women’s Law Center and Affiliates

Consolidated Financial Statements
For the Year Ended June 30, 2023
(with Summarized Financial Information for the Year Ended June 30, 2022)

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INDEPENDENT AUDITOR'S 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 National Women's Law Center Fund LLC
The Abortion Access Legal Defense Fund LLC

Opinion

We have audited the accompanying consolidated financial statements of National Women's Law Center, the National Women's Law Center Action Fund, the National Women's Law Center Fund LLC, and the Abortion Access Legal Defense Fund LLC (collectively, "the Organization"), which comprise the consolidated statements of financial position as of June 30, 2023; 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.

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, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Organization adopted Accounting Standards Update (ASU) 2016-02, Accounting Standards Codification (ASC) 842, *Leases*, and all subsequent ASUs that modified ASC 842. The Organization has applied the modified retrospective method to adopt this standard during the year ended June 30, 2023, and adjusted the presentation in the consolidated financial statements as permitted by ASC 842. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We previously audited the Organization's June 30, 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 7, 2023. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

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 31-35 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. 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.



Vienna, Virginia
March 15, 2024

National Women’s Law Center and Affiliates

Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	\$ 15,531,298	\$ 21,439,691
Investments	61,872,071	59,055,116
Accounts receivable	24,487	138,971
Grants and contributions receivable, net	15,538,323	10,959,075
Inventory	48,722	-
Prepaid expenses and security deposits	1,214,646	952,813
Right-of-use asset – operating lease	13,226,113	-
Property and equipment, net	6,442,439	408,656
	<hr/>	<hr/>
Total assets	\$ 113,898,099	\$ 92,954,322
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 5,827,017	\$ 3,668,068
Deferred compensation	498,851	492,726
Deferred rent and incentive allowance	-	259,290
Deferred revenue	7,000	-
Lease liability – operating lease	19,628,320	-
	<hr/>	<hr/>
Total liabilities	25,961,188	4,420,084
	<hr/>	<hr/>
Net Assets		
Without donor restrictions	32,689,692	36,286,952
With donor restrictions	55,247,219	52,247,286
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Total net assets	87,936,911	88,534,238
	<hr/>	<hr/>
Total liabilities and net assets	\$ 113,898,099	\$ 92,954,322
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See accompanying notes.

National Women's Law Center and Affiliates

Consolidated Statement of Activities
For the Year Ended June 30, 2023
(with Summarized Financial Information for the Year Ended June 30, 2022)

	Without Donor Restrictions			With Donor Restrictions	2023	2022
	Operating	Reserves	Total		Total	Total
Revenue and Support						
Grants	\$ 187,500	\$ -	\$ 187,500	\$ 19,402,466	\$ 19,589,966	\$ 18,206,776
Net investment return	(13,765)	1,953,094	1,939,329	2,887,091	4,826,420	(5,938,255)
Income from cash equivalents	355,476	-	355,476	-	355,476	52,660
Contributions, net of unrealized promises	10,395,498	-	10,395,498	12,000	10,407,498	6,699,565
Donated goods and services	7,334,802	-	7,334,802	-	7,334,802	3,851,077
Other	283,314	-	283,314	-	283,314	75,618
Merchandise sales	(289)	-	(289)	-	(289)	(91)
Net assets released from restrictions:						
Appropriation of endowment income	1,420,259	-	1,420,259	(1,420,259)	-	-
Transfer from Reserves	4,602,967	(4,602,967)	-	-	-	-
Satisfaction of time and program restrictions	17,881,365	-	17,881,365	(17,881,365)	-	-
Total revenue and support	42,447,127	(2,649,873)	39,797,254	2,999,933	42,797,187	22,947,350
Expenses						
Program services:						
Abortion Access Legal Defense Fund	222,268	-	222,268	-	222,268	-
Child Care/Early Learning and Income Security	6,142,951	-	6,142,951	-	6,142,951	5,311,356
Reproductive Rights and Health	11,357,232	-	11,357,232	-	11,357,232	5,850,979
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	3,171,381	-	3,171,381	-	3,171,381	3,643,070
Women's Legal Rights	9,060,317	-	9,060,317	-	9,060,317	5,911,346
Workplace Justice and Education	7,147,499	-	7,147,499	-	7,147,499	6,933,234
Total program services	37,101,648	-	37,101,648	-	37,101,648	27,649,985
Supporting services:						
Administration	3,363,476	-	3,363,476	-	3,363,476	2,508,974
Development	2,929,390	-	2,929,390	-	2,929,390	2,001,857
Total supporting services	6,292,866	-	6,292,866	-	6,292,866	4,510,831
Total expenses	43,394,514	-	43,394,514	-	43,394,514	32,160,816
Change in Net Assets	(947,387)	(2,649,873)	(3,597,260)	2,999,933	(597,327)	(9,213,466)
Net Assets, beginning of year	12,777,868	23,509,084	36,286,952	52,247,286	88,534,238	97,747,704
Net Assets, end of year	\$ 11,830,481	\$ 20,859,211	\$ 32,689,692	\$ 55,247,219	\$ 87,936,911	\$ 88,534,238

See accompanying notes.

National Women's Law Center and Affiliates

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023
(with Summarized Financial Information for the Year Ended June 30, 2022)

	Program Services						Supporting Services			2023 Total	2022 Total	
	Abortion Access Legal Defense Fund	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			Total Supporting Services
Salaries, employee benefits, and payroll taxes	\$ 123,605	\$ 3,031,399	\$ 3,877,702	\$ 982,916	\$ 4,134,426	\$ 3,679,359	\$ 15,829,407	\$ 2,581,052	\$ 1,689,424	\$ 4,270,476	\$ 20,099,883	\$ 15,801,430
Occupancy	-	241,414	240,382	-	222,249	258,584	962,629	254,835	102,246	357,081	1,319,710	1,142,197
Office expenses and supplies	-	4,538	4,572	204	8,330	4,876	22,520	4,742	2,010	6,752	29,272	7,707
Equipment and furniture	-	28,636	24,299	-	29,974	26,139	109,048	22,379	10,306	32,685	141,733	44,085
Depreciation and amortization	-	82,101	75,959	-	81,410	83,896	323,366	59,448	30,537	89,985	413,351	280,373
Postage and shipping	-	5,689	6,019	692	87,146	7,183	106,729	5,794	14,780	20,574	127,303	28,156
Audit and accounting fees	-	4,546	4,527	4,118	4,086	4,870	22,147	8,949	2,024	10,973	33,120	48,909
Telephone	-	21,645	22,535	1,000	21,996	24,751	91,927	20,164	10,039	30,203	122,130	180,651
Printing and copying	-	14,672	15,095	228	16,623	21,356	67,974	10,486	96,249	106,735	174,709	114,384
Travel	1,689	75,250	95,597	11,458	203,336	84,267	471,597	9,378	37,790	47,168	518,765	110,911
Professional dues and registrations	-	31,524	52,824	5,471	145,162	19,298	254,279	16,208	33,872	50,080	304,359	184,139
Liability insurance	-	12,487	12,433	8,221	11,495	13,375	58,011	13,181	5,288	18,469	76,480	70,848
Subscriptions and publications	80	12,614	61,745	403	72,348	96,660	243,850	4,085	14,055	18,140	261,990	190,304
In-kind expenses	79,843	170,201	5,164,699	141,902	163,833	1,577,291	7,297,769	-	-	-	7,297,769	3,800,061
Consultants	15,851	1,132,392	1,108,893	85,578	1,999,698	1,047,649	5,390,061	215,166	316,779	531,945	5,922,006	5,770,098
Software services	-	96,386	99,289	12,735	128,383	104,770	441,563	90,702	91,279	181,981	623,544	329,957
Conferences	620	88,974	10,535	8,295	991,765	23,033	1,123,222	664	456,554	457,218	1,580,440	49,689
Litigation	-	48	3,410	1,322,055	11,978	981	1,338,472	50	20	70	1,338,542	1,722,965
Regranting	-	1,051,092	441,489	85,976	338,581	29,859	1,946,997	14,243	-	14,243	1,961,240	1,982,826
Employment procurement	388	31,621	31,381	-	307,215	34,072	404,677	29,865	13,348	43,213	447,890	226,714
Other miscellaneous	192	5,488	3,191	129	79,938	4,980	93,918	1,953	2,686	4,639	98,557	74,412
Bad debt	-	234	656	500,000	345	250	501,485	132	104	236	501,721	-
Total Expenses	\$ 222,268	\$ 6,142,951	\$ 11,357,232	\$ 3,171,381	\$ 9,060,317	\$ 7,147,499	\$ 37,101,648	\$ 3,363,476	\$ 2,929,390	\$ 6,292,866	\$ 43,394,514	\$ 32,160,816

See accompanying notes.

National Women’s Law Center and Affiliates

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ (597,327)	\$ (9,213,466)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	413,351	280,373
Loss on disposal of property and equipment	1,372,394	-
Amortization of right-of-use asset – operating lease	243,166	-
Amortization of deferred incentive allowance	-	(355,853)
Net unrealized and realized (gain) loss on investments	(4,889,398)	5,828,479
Donated stock	(1,194,075)	-
Change in discount on grants and contributions receivable	351,041	(458)
Change in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	114,484	(134,495)
Grants and contributions receivable	(4,930,289)	(1,014,598)
Inventory	(48,722)	-
Prepaid expenses and security deposits	(261,833)	(469,832)
Right-of-use asset – operating lease	(13,469,279)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	2,158,949	883,942
Deferred compensation	6,125	(86,459)
Deferred rent and incentive allowance	(259,290)	-
Deferred revenue	7,000	(8,565)
Lease liability – operating lease	19,628,320	-
Net cash used in operating activities	(1,355,383)	(4,290,932)
Cash Flows from Investing Activities		
Purchases of property and equipment	(7,819,528)	(172,580)
Purchases of investments	(1,081,955)	(22,306,128)
Proceeds from sales of investments	4,348,473	2,415,904
Net cash used in investing activities	(4,553,010)	(20,062,804)
Net Decrease in Cash and Cash Equivalents	(5,908,393)	(24,353,736)
Cash and Cash Equivalents, beginning of year	21,439,691	45,793,427
Cash and Cash Equivalents, end of year	\$ 15,531,298	\$ 21,439,691

See accompanying notes.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2023

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. The National Women’s Law Center Action Fund (“the Action Fund”) is organized and operated for social welfare purposes under IRC Section 501(c)(4) 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 the sole member of the National Women’s Law Center Fund LLC (“the Fund LLC”) and the Abortion Access Legal Defense Fund LLC (“AALDF LLC”), (collectively, “the LLCs”). The Fund LLC and AALDF LLC were organized in the District of Columbia in 2018 and 2023, respectively. The LLCs are disregarded entities for tax purposes, and, therefore, have the same IRC 501(c)(3) tax-exempt status as NWLC. The Fund LLC is dedicated to the purpose of connecting individuals who face sex discrimination and other forms of sexual harassment with legal assistance and to helping pay the legal fees and costs of select cases of workplace-related sexual harassment and retaliation. AALDF LLC is designed to help individuals and entities pay for certain legal expenses they are facing because they sought abortion or helped someone obtain an abortion or information about abortion care.

All four 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 LLCs, respectively. The Action Fund and the LLCs each share certain personnel and overhead costs with NWLC. The shared costs are allocated between NWLC and the Action Fund, and NWLC and the LLCs, respectively, based on usage, at cost or fair market value. The Action Fund and the LLCs 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 four entities are collectively referred to as “the Organization” throughout the accompanying consolidated financial statements and related notes.

National Women's Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2023

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

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.

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, 2023

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

Inventory

Inventory consists of logo items and merchandise for sale. Inventory is recorded at cost that is reflected on the invoice, and is expensed when used or sold. No allowance was recorded for inventory obsolescence at June 30, 2023.

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 10 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, 2023, were owned by NWLC. Depreciation and amortization costs are allocated to NWLC, the Action Fund, and the LLCs based on a cost-sharing agreement.

Leases

The Organization determines if an arrangement is a lease at inception. Operating lease is included in the right-of-use (“ROU”) assets, which represent the Organization’s right to use an underlying asset for the lease terms, and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Organization’s lease does not provide an implicit rate, the Organization used a risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

The ROU assets also include any lease payments made and exclude lease incentives. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized in a straight-line basis over the lease term.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2023

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

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. Included in net assets without donor restrictions are amounts set aside by the Board of Directors for reserves.
- *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.

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 LLCs’, or 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, 2023

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

Revenue Recognition (continued)

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 deferred revenue in the amount of \$7,000 at June 30, 2023.

Donated Goods and Services

The Organization receives donations of both external and in-house services of attorneys, legal fellows, law students, and other professionals. All of the Organization's donated services for the year ended June 30, 2023 consisted of these donated legal services in the amount of \$7,334,802. The value of these services is recorded based on the estimated fair market value of the 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, the LLCs', and the Action Fund's various programs and supporting services, as appropriate, based upon the program or supporting services directly benefited. See Note 8.

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, 2023.

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.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023

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

Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Accounting Standards Codification (ASC) 842, *Leases*. The update requires a lessee to recognize an ROU 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 for the Organization’s fiscal year ended June 30, 2023. The Organization adopted ASC 842 during the year ended June 30, 2023, and adjusted the presentation in the consolidated financial statements as permitted by ASC 842. A modified retrospective transition approach is required for lessees for finance and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available.

Recently Issued Accounting Pronouncement

In 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), *Measurement of Credit Losses on Financial Instruments*. This ASU addresses measurement and reporting of credit losses related to accounts receivable, notes receivable, leases receivable, and held-to-maturity debt securities. The ASU mandates the current expected credit loss (CECL) model, which measures and reports expected losses over the contractual life of an asset. The measurement of expected life credit losses will be based on relevant information, not just past events (including historical experience and current conditions), but also the “reasonable and supportable” forecasts that affect collectability of the reported amount. This guidance is effective for the Organization beginning in fiscal year 2024. Management is evaluating the potential impact of this update on the Organization’s consolidated financial statements.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 15, 2024, the date the consolidated financial statements were available to be issued.

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements

June 30, 2023

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 equivalents balances as necessary. Amounts in excess of operating liquidity are invested in various short-term certificates of deposit 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, 2023:

Cash and cash equivalents	\$ 15,531,298
Short-term investments	4,169,848
Accounts receivable	24,487
Grants and contributions receivable – due within one year	8,930,762
Less: corpus of endowments	<u>(19,182,895)</u>
Total available for general expenditures	<u>\$ 9,473,500</u>

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Notes to Consolidated Financial Statements

June 30, 2023

3. Investments and Fair Value Measurements

Only NWLC has investments. NWLC’s investments totaled \$61,872,071 at June 30, 2023, and are summarized below.

CFI Multi-Strategy Equity Fund (MSEF)	\$ 25,513,932
CFI Multi-Strategy Bond Fund, LLC (MSBF)	13,912,486
CF Institutional Core Equity Fund (ICEF)	2,046,944
CF Contingent Asset Portfolio (CAP)	10,870,163
CF Strategic Solutions Equity Fund, LLC (SSEF)	2,160,803
Capital Partners VI, LP Fund (CPVI)	2,079,851
Capital Partners VII, LP Fund (CPVII)	<u>1,118,044</u>
Total investments in pooled funds	57,702,223
FDIC-insured money market funds and cash	<u>4,169,848</u>
Total investments	<u>\$ 61,872,071</u>

The pooled funds are considered to be alternative investments as these funds are not publicly traded. For the year ended June 30, 2023, most of NWLC’s interest in the Commonfund’s Multi-Strategy Equity Fund (MSEF), Commonfund’s Institutional Core Equity Fund (ICEF) and Commonfund’s Strategic Solutions Equity Fund, LLC (SSEF) (equity investments) and the Commonfund’s Multi-Strategy Bond Fund, LLC (MSBF) and Commonfund’s Contingent Asset Portfolio (CAP) (fixed income investments), consisted of underlying securities that are publicly traded. NWLC’s interest in the Commonfund’s Capital Partners VI, LP Fund (CPVI) and Capital Partners VII, LP 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, 2023. However, at June 30, 2023, NWLC had outstanding commitments to invest \$177,375 in the CPVI Fund and \$151,500 in the CPVII Fund. NWLC will meet this commitment by using a portion of its other investments. As of June 30, 2023, 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.

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Notes to Consolidated Financial Statements
June 30, 2023

3. Investments and Fair Value Measurements (continued)

Net investment return for NWLC consisted of the following for the year ended June 30, 2023:

Unrealized gains	\$ 4,787,125
Interest and dividends	51,170
Private Capital realized gains and other	102,273
Investment management fees	<u>(114,148)</u>
Total net investment return	<u>\$ 4,826,420</u>

The total unrealized gains of \$4,787,125 are included in net investment return in the accompanying consolidated statement of activities for the year ended June 30, 2023.

In accordance with the fair value measurements and disclosures topic of FASB 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.

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Notes to Consolidated Financial Statements
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3. Investments and Fair Value Measurements (continued)

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 6.74% of NWLC's investments at June 30, 2023, 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.

NWLC's investments in the MSEF, MSBF, ICEF, CAP, and SSEF, representing 88.09% of NWLC's investments at June 30, 2023, 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, MSBF, ICEF, CAP, and SSEF meet these criteria, because NWLC can redeem its investments in the MSEF, MSBF, ICEF, CAP, and SSEF 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 5.17% of NWLC's investments at June 30, 2023, 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.

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Notes to Consolidated Financial Statements
June 30, 2023

3. Investments and Fair Value Measurements (continued)

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, 2023:

	Level 1	Level 2	Level 3	Total fair value
FDIC-insured money				
market funds and cash	\$ 4,169,848	\$ -	\$ -	\$ 4,169,848
MSEF	-	25,513,932	-	25,513,932
MSBF	-	13,912,486	-	13,912,486
ICEF	-	2,046,944	-	2,046,944
CAP	-	10,870,163	-	10,870,163
SSEF	-	2,160,803	-	2,160,803
CPVI	-	-	2,079,851	2,079,851
CPVII	-	-	1,118,044	1,118,044
Total	\$ 4,169,848	\$ 54,504,328	\$ 3,197,895	\$ 61,872,071

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

Balance at June 30, 2022	\$ 3,350,004
Transfers into Level 3	(77,428)
Realized gains and net operating income	116,033
Unrealized losses	(190,714)
Balance at June 30, 2023	\$ 3,197,895

4. Receivables

Accounts receivable at June 30, 2023 are attributable to NWLC for \$24,487. All accounts receivable are deemed fully collectible at June 30, 2023.

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Notes to Consolidated Financial Statements
June 30, 2023

4. Receivables (continued)

Grants and contributions receivable at June 30, 2023, include unconditional promises from private foundations and individual donors to give monies to NWLC and are due, as follows:

Less than one year	\$ 8,930,762
One to three years	<u>6,985,000</u>
Total	15,915,762
Less: discount to net present value using 3.05%	<u>(377,439)</u>
Grants and contributions receivable, net	<u><u>\$ 15,538,323</u></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 LLCs

NWLC, the Action Fund, and the LLCs 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 LLCs, 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.

6. Property, Equipment, and Accumulated Depreciation and Amortization

NWLC held the following property and equipment as of June 30, 2023:

Furniture, software, and equipment	\$ 74,940
Leasehold improvements	6,999,294
Intangible assets	<u>148,845</u>
Total property and equipment	7,223,079
Less: accumulated depreciation and amortization	<u>(780,640)</u>
Property and equipment, net	<u><u>\$ 6,442,439</u></u>

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Notes to Consolidated Financial Statements

June 30, 2023

6. Property, Equipment, and Accumulated Depreciation and Amortization (continued)

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 \$413,351 for the year ended June 30, 2023, was allocated to NWLC, the Action Fund, and the LLCs based on the cost-sharing agreement described in Note 5.

7. Commitments and Contingencies

Concentrations of Credit Risk

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).

Concentrations of Revenue Risk

The Organization received a substantial portion of its revenue and support from one source during the year ended June 30, 2023, which represented approximately 14% of the Organization's total revenue and support.

Operating Leases

Effective July 1, 2014, NWLC entered into a 104-month, non-cancellable operating lease for office space that was scheduled to terminate on February 28, 2023. The lease required 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 the lease to include expanded premises. The amended lease commenced on June 30, 2019 and terminated on February 28, 2023. The amended lease required 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. The lease also provided rental abatements and a tenant improvement allowance for leasehold improvements, furniture, and equipment.

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 under ASC 842 through June 30, 2022.

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Notes to Consolidated Financial Statements
June 30, 2023

7. Commitments and Contingencies (continued)

Operating Leases (continued)

On June 6, 2022, NWLC entered into a new operating lease agreement for space at a different location. The new lease agreement commenced on March 1, 2023, and is scheduled to expire on February 28, 2035. The lease requires monthly rental payments, and also requires NWLC to pay annual rent escalations of 2.35%, in addition to its proportionate share of any increase in operating expenses and real estate taxes.

Occupancy expense of \$1,156,054 for the year ended June 30, 2023, was allocated to NWLC, the Action Fund, and the LLCs based on the cost-sharing agreement described in Note 5.

Supplemental qualitative information related to the operating lease is as follows:

Operating lease cost	\$ 696,893
Cash paid for amounts included in the measurement of lease liability – operating cash flows	\$ 619,067
ROU asset obtained in exchange for lease obligations	\$ 13,469,279
Weighted-average remaining lease term (in years)	11.67
Weighted-average discount rate	4.16%

Maturities of the lease liability under the Organization's operating lease are as follows for the years ending June 30:

2024	\$ 1,871,749
2025	1,598,927
2026	1,960,754
2027	2,006,832
2028	2,053,993
Thereafter	<u>14,976,827</u>
Total minimum lease payments	24,469,082
Less: discount to present value at 4.16%	<u>(4,840,762)</u>
Present value of operating lease liability	<u>\$ 19,628,320</u>

National Women’s Law Center and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023

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, and confidential employees as defined by the National Labor Relations Act. The terms of the collective bargaining agreement with the Union were ratified on October 7, 2022.

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.

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Notes to Consolidated Financial Statements
June 30, 2023

8. Net Assets (continued)

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

The MARGARET Fund (approximately 11% of the Long-Term Reserve Fund at June 30, 2023) 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, 2023 were attributable to NWLC, the LLCs, and the Action Fund. Such amounts are provided in the following table.

	NWLC	LLC	Action Fund	AALDF	Total
Operating fund	\$ 10,662,402	\$ 462,641	\$ 705,438	\$ -	\$ 11,830,481
Long-Term Reserve Fund:					
Unencumbered					
Endowment Earnings					
Fund	4,916,823	-	-	-	4,916,823
MARGARET Fund	2,264,741	-	-	-	2,264,741
Other amounts in the					
Long-Term Reserve					
Fund	13,677,647	-	-	-	13,677,647
Total Long-Term Reserve					
Fund	20,859,211	-	-	-	20,859,211
Total net assets without					
donor restrictions	\$ 31,521,613	\$ 462,641	\$ 705,438	\$ -	\$ 32,689,692

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Notes to Consolidated Financial Statements June 30, 2023

8. Net Assets (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions for NWLC, the LLCs, and the Action Fund are available for the following purposes and time periods as of June 30, 2023:

	NWLC	LLC	Action Fund	AALDF	Total
Purpose restricted:					
Nokomis Endowment	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Abortion Access Legal Defense Fund	-	-	-	14,143	14,143
Reproductive Rights and Health	1,197,569	-	-	-	1,197,569
Child Care/Early Learning and Income Security	1,008,678	-	96,782	-	1,105,460
Workplace Justice and Education	1,684,820	-	-	-	1,684,820
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	-	4,509,953	-	-	4,509,953
Women’s Legal Rights	3,925,741	-	521,553	-	4,447,294
Named Funds:					
Legacy Fund	66,416	-	-	-	66,416
Total purpose restricted	8,883,224	4,509,953	618,335	14,143	14,025,655
Time restricted:					
Unappropriated Ford Endowment earnings	7,690,318	-	-	-	7,690,318
Unappropriated Nokomis Endowment earnings	2,147,709	-	-	-	2,147,709
Restricted for fiscal year 2024 and beyond	12,200,642	-	-	-	12,200,642
Total time restricted	22,038,669	-	-	-	22,038,669
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	\$ 50,104,788	\$ 4,509,953	\$ 618,335	\$ 14,143	\$ 55,247,219

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Notes to Consolidated Financial Statements
June 30, 2023

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.

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Notes to Consolidated Financial Statements
June 30, 2023

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.

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Notes to Consolidated Financial Statements
June 30, 2023

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, 2023.

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Notes to Consolidated Financial Statements
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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, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance			
Ford	\$ -	\$ 20,806,359	\$ 20,806,359
Nokomis	-	7,747,733	7,747,733
Total beginning balance	-	28,554,092	28,554,092
Investment return			
Investment return:			
Ford	-	63,930	63,930
Nokomis	-	20,201	20,201
Total investment return	-	84,131	84,131
Net appreciation:			
Ford	-	2,037,418	2,037,418
Nokomis	-	765,540	765,540
Total net appreciation	-	2,802,958	2,802,958
Total investment return	-	2,887,089	2,887,089
Appropriation of assets			
Ford	-	(1,034,494)	(1,034,494)
Nokomis	-	(385,765)	(385,765)
Total appropriation of assets	-	(1,420,259)	(1,420,259)
Ending balance			
Ford	-	21,873,213	21,873,213
Nokomis	-	8,147,709	8,147,709
Total ending balance	\$ -	\$ 30,020,922	\$ 30,020,922

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Notes to Consolidated Financial Statements

June 30, 2023

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. Employees are immediately eligible upon hire to make voluntary contributions to the plan, up to the annual Internal Revenue Service maximum. Beginning on the first of the month after 90 days of employment, NWLC contributes Employer Matching and Employer Non-Elective contributions. The Employer Matching contribution is a 100% match of an employee's contribution, up to 3% of their compensation. The Employer Non-Elective contribution is 6% of an eligible employee's salary, regardless of tenure. Both contributions are 100% vested immediately. The total annuity contribution expense of \$950,183 for the year ended June 30, 2023, was allocated to NWLC, the Action Fund, and the LLCs based on the cost-sharing agreement described in Note 5.

Tax Deferred Annuity Plan

Prior to July 1, 2022, NWLC participated 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 did not contribute any matching or employer contributions to the tax-deferred annuity plan. On July 1, 2022, this plan was merged into the defined contribution plan noted above.

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 \$8,430 for the year ended June 30, 2023, was allocated to NWLC, the Action Fund, and the LLCs based on the cost-sharing agreement described in Note 5.

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Notes to Consolidated Financial Statements
June 30, 2023

12. Joint Costs

Joint costs that encompassed both program and fundraising activities, all of which were NWLC costs, totaled \$1,076,767 for the year ended June 30, 2023; \$875,523 was allocated to Program Services and \$201,244 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 statement of activities and functional expenses. The summary information for the year ended June 30, 2022, was obtained from the Organization's consolidated audited financial statements for the year ended June 30, 2022. 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, 2022.

14. Income Taxes

NWLC and the LLCs 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, 2023, 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 LLCs 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, 2023, 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, 2023, 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, 2020, through June 30, 2022.

SUPPLEMENTARY INFORMATION

The following pages present the unconsolidated Statements of Activities for the National Women’s Law Center, the National Women’s Law Center Fund LLC, the National Women’s Law Center Action Fund, and the Abortion Access Legal Defense Fund LLC, 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, 2023

	Without Donor Restrictions			With Donor Restrictions	
	Operating	Reserves	Total	Restrictions	Total
Revenue and Support					
Grants	\$ 187,500	\$ -	\$ 187,500	\$ 18,402,466	\$ 18,589,966
Net investment return	(13,765)	1,953,094	1,939,329	2,887,091	4,826,420
Income from cash equivalents	243,061	-	243,061	-	243,061
Contributions	10,256,919	-	10,256,919	12,000	10,268,919
Donated goods and services	7,112,247	-	7,112,247	-	7,112,247
Other	283,314	-	283,314	-	283,314
Net assets released from restrictions:					
Appropriation of endowment income	1,420,259	-	1,420,259	(1,420,259)	-
Transfer from Reserves	4,602,967	(4,602,967)	-	-	-
Satisfaction of time and program restrictions	15,549,411	-	15,549,411	(15,549,411)	-
Total revenue and support	39,641,913	(2,649,873)	36,992,040	4,331,887	41,323,927
Expenses					
Program services:					
Abortion Access Legal Defense Fund	230,401	-	230,401	-	230,401
Child Care/Early Learning and Income Security	5,705,309	-	5,705,309	-	5,705,309
Reproductive Rights and Health	11,339,372	-	11,339,372	-	11,339,372
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	2,428,766	-	2,428,766	-	2,428,766
Women's Legal Rights	8,330,491	-	8,330,491	-	8,330,491
Workplace Justice and Education	7,147,499	-	7,147,499	-	7,147,499
Total program services	35,181,838	-	35,181,838	-	35,181,838
Supporting services:					
Administration	2,622,671	-	2,622,671	-	2,622,671
Development	2,870,946	-	2,870,946	-	2,870,946
Total supporting services	5,493,617	-	5,493,617	-	5,493,617
Total expenses	40,675,455	-	40,675,455	-	40,675,455
Change in Net Assets	(1,033,542)	(2,649,873)	(3,683,415)	4,331,887	648,472
Net Assets, beginning of year	11,695,944	23,509,084	35,205,028	45,772,901	80,977,929
Net Assets, end of year	\$ 10,662,402	\$ 20,859,211	\$ 31,521,613	\$ 50,104,788	\$ 81,626,401

National Women's Law Center Fund LLC

Statement of Activities
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Income from cash equivalents	\$ 98,910	\$ -	\$ 98,910
Donated goods and services	141,902	-	141,902
Contributions from affiliates	-	2,428,766	2,428,766
Net assets released from restrictions:			
Satisfaction of time and program restrictions	<u>3,589,535</u>	<u>(3,589,535)</u>	<u>-</u>
Total revenue and support	<u>3,830,347</u>	<u>(1,160,769)</u>	<u>2,669,578</u>
Expenses			
Program services:			
TIMES UP Legal Defense Fund and Legal Network for Gender Equity	<u>3,171,381</u>	<u>-</u>	<u>3,171,381</u>
Total program services	<u>3,171,381</u>	<u>-</u>	<u>3,171,381</u>
Supporting services:			
Administration	560,055	-	560,055
Development	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>560,055</u>	<u>-</u>	<u>560,055</u>
Total expenses	<u>3,731,436</u>	<u>-</u>	<u>3,731,436</u>
Change in Net Assets	98,911	(1,160,769)	(1,061,858)
Net Assets, beginning of year	<u>363,730</u>	<u>5,670,722</u>	<u>6,034,452</u>
Net Assets, end of year	<u>\$ 462,641</u>	<u>\$ 4,509,953</u>	<u>\$ 4,972,594</u>

National Women's Law Center Action Fund

Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants	\$ -	\$ 1,000,000	\$ 1,000,000
Income from cash equivalents	13,505	-	13,505
Contributions	138,579	-	138,579
Donated goods and services	810	-	810
Merchandise sales	(289)	-	(289)
Net assets released from restrictions:			
Satisfaction of time and program restrictions	1,185,328	(1,185,328)	-
Total revenue and support	<u>1,337,933</u>	<u>(185,328)</u>	<u>1,152,605</u>
Expenses			
Program services:			
Child Care/Early Learning and Income Security	437,642	-	437,642
Reproductive Rights and Health	17,860	-	17,860
Women's Legal Rights	729,826	-	729,826
Total program services	<u>1,185,328</u>	<u>-</u>	<u>1,185,328</u>
Supporting services:			
Administration	106,917	-	106,917
Development	58,444	-	58,444
Total supporting services	<u>165,361</u>	<u>-</u>	<u>165,361</u>
Total expenses	<u>1,350,689</u>	<u>-</u>	<u>1,350,689</u>
Change in Net Assets	(12,756)	(185,328)	(198,084)
Net Assets , beginning of year	<u>718,194</u>	<u>803,663</u>	<u>1,521,857</u>
Net Assets , end of year	<u>\$ 705,438</u>	<u>\$ 618,335</u>	<u>\$ 1,323,773</u>

Abortion Access Legal Defense Fund LLC

Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions from affiliates	\$ -	\$ 230,401	\$ 230,401
Donated goods and services	79,843	-	79,843
Net assets released from restrictions:			
Satisfaction of time and program restrictions	216,258	(216,258)	-
Total revenue and support	296,101	14,143	310,244
Expenses			
Program services:			
Abortion Access Legal Defense Fund	222,268	-	222,268
Total program services	222,268	-	222,268
Supporting services:			
Administration	73,833	-	73,833
Development	-	-	-
Total supporting services	73,833	-	73,833
Total expenses	296,101	-	296,101
Change in Net Assets	-	14,143	14,143
Net Assets, beginning of year	-	-	-
Net Assets, end of year	\$ -	\$ 14,143	\$ 14,143