



**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND
AAUW ACTION FUND, INC.**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

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JUNE 30, 2020**

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Independent Auditors' Report

Board of Directors
American Association of University Women, Inc.
and AAUW Action Fund, Inc.
Washington, D.C.

We have audited the accompanying consolidated financial statements of the American Association of University Women, Inc. (AAUW), and AAUW Action Fund, Inc. (the Action Fund), (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of June 30, 2020, and 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 the 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 auditors' 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 auditors consider 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. 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.



Board of Directors
American Association of University Women, Inc.
and AAUW Action Fund, Inc.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2019, consolidated financial statements, and we expressed an unmodified audit opinion on those 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 consolidated financial statements from which it has been derived.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
December 10, 2020

Certified Public Accountants

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2019)**

	2020	2019
Assets		
Cash and Cash Equivalents	\$ 5,230,252	\$ 1,883,587
Contributions and Grants Receivable	4,726,413	7,955,274
Other Receivables	177,944	211,222
Prepaid Expenses and Other Assets	1,052,967	356,934
Property and Equipment, Net	3,642,268	4,787,378
Investments	120,193,774	122,300,159
Total Assets	\$ 135,023,618	\$ 137,494,554
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 835,709	\$ 990,550
Committed Awards and Grants Payable	3,634,091	4,138,436
Deferred Revenue	1,829,251	1,764,601
Deferred Rent and Lease Incentive	4,703,929	7,164,090
Split Interest Agreements	516,929	394,781
CARES Act PPP Refundable Advance	725,000	-
Sublease Liability	2,366,042	-
Other Liabilities	282,490	60,169
Total Liabilities	14,893,441	14,512,627
Net Assets		
Without Donor Restrictions	2,219,592	3,798,789
With Donor Restrictions		
Purpose Restricted	44,151,994	45,722,371
Endowment Funds	73,758,591	73,460,767
Total With Donor Restrictions	117,910,585	119,183,138
Total Net Assets	120,130,177	122,981,927
Total Liabilities and Net Assets	\$ 135,023,618	\$ 137,494,554

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**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 Total	2019 Total
Revenue and Support				
Contributions and Grants	\$ 2,539,591	\$ 3,385,557	\$ 5,925,148	\$ 12,774,472
Investment Return, Net	(331,283)	3,169,066	2,837,783	5,978,491
Rental Income	397,540	-	397,540	376,559
Membership Dues Income	2,885,502	-	2,885,502	3,023,668
Change in Value of Split- Interest Agreements	(33,363)	-	(33,363)	(36,021)
Conference Revenue	161,578	-	161,578	475,644
Other Income	294,064	-	294,064	204,480
Net Assets Released from Restrictions	7,827,176	(7,827,176)	-	-
Total Revenue and Support	13,740,805	(1,272,553)	12,468,252	22,797,293
Expenses				
Program Services	9,445,781	-	9,445,781	13,105,009
Supporting Services				
Management and General	2,990,930	-	2,990,930	3,698,873
Development and Fundraising	1,768,307	-	1,768,307	2,246,655
Total Expenses	14,205,018	-	14,205,018	19,050,537
Change in Net Assets from Operations	(464,213)	(1,272,553)	(1,736,766)	3,746,756
Loss on Sublease	(1,114,984)	-	(1,114,984)	-
Change in Net Assets	(1,579,197)	(1,272,553)	(2,851,750)	3,746,756
Net Assets, Beginning of Year	3,798,789	119,183,138	122,981,927	119,235,171
Net Assets, End of Year	\$ 2,219,592	\$ 117,910,585	\$ 120,130,177	\$ 122,981,927

See accompanying Notes to Consolidated Financial Statements.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)

	Total Program Services	Supporting Services		2020 Total Expenses	2019 Total Expenses
		Management and General	Development and Fundraising		
Expenses					
Salaries, Benefits, and Taxes	\$ 3,470,271	\$ 1,227,495	\$ 961,814	\$ 5,659,580	\$ 8,220,398
Grants and Contributions	3,845,078	-	-	3,845,078	4,363,083
Occupancy	1,081,381	1,204,203	299,978	2,585,562	2,709,790
Office Expenses	235,805	91,624	316,672	644,101	1,023,376
Information Technology	351,248	166,288	51,813	569,349	529,767
Depreciation and Amortization	89,481	111,993	21,356	222,830	209,083
Professional Fees	184,653	65,093	96,919	346,665	1,066,323
General Insurance	17,122	50,389	1,196	68,707	89,112
Travel	31,867	11,499	12,816	56,182	152,681
Dues, Subscriptions, and Publications	35,024	1,534	817	37,375	45,712
Other Expenses	12,165	4,013	3,311	19,489	1,590
Advertising and Promotion	26,046	-	75	26,121	107,770
Conferences and Meetings	15,087	3,683	1,272	20,042	452,293
Temporary Employee Fees	50,553	53,116	268	103,937	79,559
Total Expenses	\$ 9,445,781	\$ 2,990,930	\$ 1,768,307	\$ 14,205,018	\$ 19,050,537

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (2,851,750)	\$ 3,746,756
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	487,895	487,986
Loss on Disposals of Property and Equipment	1,052,958	6,032
Realized and Unrealized Gain on Investments	(305,069)	(3,008,559)
Contributions Restricted for Long-Term Purposes	(557,524)	(284,746)
<u>(Increase) Decrease in Assets</u>		
Contributions and Grants Receivable	3,228,861	(7,373,036)
Other Receivables	33,278	(91,833)
Prepaid Expenses and Other Assets	(696,033)	(159,546)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(154,841)	(86,638)
Committed Awards and Grants Payable	(504,345)	314,005
Deferred Revenue	64,650	196,362
Deferred Rent and Lease Incentive	(2,460,161)	(49,358)
CARES Act PPP Refundable Advance	725,000	-
Sublease Liability	2,366,042	-
Pooled Income Funds	-	(3,629)
Split Interest Agreements	198,646	35,323
Other Liabilities	222,321	(118,638)
Net Cash Provided by (Used in) Operating Activities	<u>849,928</u>	<u>(6,389,519)</u>
Cash Flows from Investing Activities		
Purchases of Investments	(80,170,861)	(41,496,882)
Proceeds from the Sale of Investments	82,576,672	47,588,189
Purchases and Donation of Property and Equipment	(395,742)	(39,372)
Net Cash Provided by Investing Activities	<u>2,010,069</u>	<u>6,051,935</u>
Cash Flows from Financing Activities		
Investment in Perpetual Endowments	557,524	284,746
Payments to Beneficiaries from Split-Interest Agreements	(70,856)	(61,082)
Net Cash Provided by Financing Activities	<u>486,668</u>	<u>223,664</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,346,665	(113,920)
Cash and Cash Equivalents, Beginning of Year	<u>1,883,587</u>	<u>1,997,507</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 5,230,252</u></u>	<u><u>\$ 1,883,587</u></u>

See accompanying Notes to Consolidated Financial Statements.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The American Association of University Women, Inc. (AAUW), is the nation's leading voice promoting equity and education for women and girls through research, education, and advocacy. Since its founding in 1881, AAUW has examined and taken positions on the fundamental issues of the day - educational, social, economic, and political. Membership in AAUW is open to all graduates holding an associates or equivalent, baccalaureate, or higher degree from a qualified educational institution.

AAUW was incorporated under the laws of the District of Columbia in 1958.

AAUW is supported primarily by contributions, member dues, and investment income.

The major programs of AAUW consist of the following:

Fellowships and Grants - AAUW awards American Fellowships to women who are U.S. citizens or permanent residents pursuing full-time study to complete dissertations, conduct postdoctoral research, or preparing research for publication. Selected Professional Fellowships are awarded to women pursuing full-time study in a master's or professional degree program in which women are underrepresented, including STEM, law, business, and medicine. International Fellowships are awarded to women pursuing full-time graduate or postdoctoral study in the United States who are not U.S. citizens or permanent residents. International Project Grants are awarded to alumnae of AAUW's International Fellowships program who are living in their home countries and pursuing community-based projects to improve the social advancement and economic empowerment of women and girls. Community Action Grants are awarded to individuals, AAUW affiliates, and nonprofit organizations to fund innovative programs or nondegree research projects that promote equity for women and girls. Career Development Grants are awarded to women pursuing a certificate or degree to advance their careers, change careers, or reenter the workforce and whose bachelor's degree was received at least five years before the award period.

Leadership and Salary Negotiation Programs - AAUW created and runs programs that serve the public, such as AAUW Start Smart and AAUW Work Smart salary negotiation workshops, Empower leadership development workshops, the annual National Conference for College Women Student Leaders and other programs. AAUW also created the Equity Network, an inclusive learning community dedicated to professional development and working alongside others to advocate for equity for all. AAUW is also developing STEM programs focused on increasing the number of women, particularly women of color, declaring STEM majors in college, pursuing STEM careers, and achieving success within those careers.

Research - AAUW creates original research that is widely disseminated through research reports and updates, including: *The Simple Truth*, which analyzes the gender pay gap, and *Deeper in Debt*, which addresses the disproportionate burden of student loan debt on women. AAUW is also producing original research in a variety of STEM topics.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Public Policy - AAUW's public policy efforts connect, educate, and rally members, supporters and advocates to advance its mission to empower women and girls through grassroots advocacy at the federal, state, and local levels.

Legal Advocacy Fund - AAUW's Legal Advocacy Fund combats sex and gender discrimination through financial case support, development, and dissemination of "Know Your Rights" resources regarding employment and other forms of discrimination; an amicus curiae program; and other online public education and legal resources.

Membership - AAUW supports the mission-based work of state and local AAUW affiliates, including programming and grassroots advocacy that advance gender equity for women and girls.

The AAUW Action Fund, Inc. (the Action Fund), was founded in 1881 and was chartered under a special act of the Massachusetts Legislature in 1889. The Action Fund includes activities and programs to advance equity for women and girls through member activism and voter mobilization. The Action Fund is primarily supported by member dues and investment income.

The Action Fund's major programs consist of the following:

Advocacy - The public policy and government relations function includes influencing legislation and regulations, training and technical assistance, issues analyses and voter education based on the member-adopted public policy priorities.

Outreach - Includes advocacy and lobbying activities that connect and rally members, supporters and advocates to advance the Action Fund mission.

Principles of Consolidation

The bylaws of the Action Fund provide that the AAUW Executive Committee shall constitute the Board of Directors of the Action Fund. As a result, AAUW is deemed to have both an economic interest in and control of the Action Fund, and consolidated financial statements are required to be presented by accounting principles generally accepted in the United States of America. The consolidated financial statements include the accounts of AAUW and the Action Fund, collectively, the Organization. Significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers demand deposits and money market accounts not held in investment accounts, to be cash and cash equivalents.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are stated at fair value. The valuation of the investments is based upon quotations obtained from national securities exchanges; where securities are not listed on an exchange, quotations are obtained from other published sources.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value at date of donation, if contributed. Acquisitions of property and equipment greater than \$5,000 are capitalized and depreciated or amortized using the straight-line method over the following useful lives: furniture, 10 years; computer equipment and software, three years; website redesign, five years; and, leasehold improvements, the lesser of the remaining lease term or the estimated useful lives of the improvements. Expenditures and related betterments that extend the useful lives of the assets are capitalized.

Income Taxes

AAUW is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (the Code) and is classified as other than a private foundation within the meaning of Section 509(a)(1) of the Code. However, AAUW is subject to tax on net income received from activities unrelated to its exempt purpose.

The Action Fund is exempt from the payment of income taxes under Section 501(c)(4) of the Code. However, the Action Fund is subject to tax on net income received from activities unrelated to its exempt purpose.

The Organization requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its consolidated financial statements include, or reflect, any uncertain tax positions.

AAUW and the Action Fund’s IRS Forms 990, *Return of Organization Exempt from Income Tax* and related state filings are subject to examination by federal and state taxing authorities, generally for three years after filing.

Split-Interest Agreements

AAUW has a beneficial interest in two types of split-interest agreements where donors have made irrevocable gifts to AAUW or to trusts for the benefit of AAUW. Donors either transfer assets directly to an investment account in the name of AAUW or promise to give assets in the future. The assets are recorded at fair value, if invested, or at present value, if promised. The split-interest agreements are as follows:

Charitable Gift Annuity: A charitable gift annuity is an arrangement between a donor and AAUW in which the donor contributes assets to AAUW in exchange for a promise by AAUW to pay a fixed amount for a specified period of time to the donor or to individuals or organizations specified by the donor.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Split-Interest Agreements (Continued)

Charitable Remainder Unitrust (CRUT): A charitable remainder unitrust is an agreement whereby the donor contributes assets in exchange for distributions based on the value of trust assets for a specified period of time to the donor or other beneficiaries. At the end of the specified time, the remaining assets are available for AAUW's use. Assets received are recorded at fair value on the date the agreement or unitrust is recognized and, as required by state law, are invested primarily in U.S. government obligations. A liability equal to the present value of the future distributions is recorded.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include most operating costs that support various programs and functions. Building operations and IT is based on direct salary cost. Overhead is allocated based on total direct cost after IT and building operations have been allocated.

Net Assets

The Organization is required to report its financial position and activities according to two classes of net assets. Those categories are assets without donor-imposed restrictions and assets with donor-imposed restrictions.

For financial statement purposes, net assets are as follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects.

Net Assets With Donor Restrictions: Net assets with donor restrictions include those net assets whose use by AAUW has been donor-restricted by specified time or purpose limitations. The purpose restrictions are as follows:

American and International Fellowships: The American and International Fellowships are funded by contributions and investment revenue earned from net assets with purpose restricted gifts to fund fellowships for postdoctoral or dissertation work, or for grants to prepare research for publication.

NYC Metropolitan Area Fund: These funds are purpose restricted and are to be used solely within the prescribed New York City Metropolitan Area for the furtherance of the purposes of the American Association of University Women, Inc.

Research and Projects: The Research and Projects are funded by contributions and investment revenue earned from purpose restricted gifts to fund programs and research that help to: advance equity for women and girls; protect them from discrimination and abuse; promote educational and workplace opportunity and achievement; advocate for public policies that benefit them and their families; and, break through barriers that prevent them from attaining their personal goals and full potential.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Eleanor Roosevelt Fund: These funds support research on gender equity in education and the workplace.

Legal Advocacy Fund: These funds are restricted to supporting programs, grants, research and legal cases combating sex and gender discrimination, particularly in education and the workplace.

STEM Education: Contributions and investment income are used to overcome the barriers that have historically resulted in women and girls being significantly underrepresented in the fields of Science, Technology, Engineering, and Mathematics.

Mooneen Lecce: The Mooneen Lecce Giving Circle pools the contributions of members of the circle to fund projects of their choice benefiting women and girls.

Leadership and Salary Negotiation Programs: AAUW Salary Negotiation Programs are designed to empower women with the skills and confidence to negotiate for fair pay. Participants learn how to research competitive salaries, articulate their skills, qualifications and experience, and ask for and get the pay they deserve.

Split-Interest Agreements: Split-Interest Agreements net assets consist of donor agreements to provide assets to AAUW as described in Split-Interest Agreements.

Net Assets With Endowment Restrictions: Net assets with endowment restrictions must be maintained in perpetuity by AAUW and consist of an original trust and purpose restricted annual contributions. The investment income earned on the purpose restricted net assets is used to fund the various programs.

American and International Fellowships: American and International Fellowships endowment funds are restricted for American and International Fellowships pursuant to the charter of the endowment.

Research and Projects: Research and projects endowment funds are restricted for the research and projects activities as set forth by the original stated purpose.

Legal Advocacy: The Legal Advocacy Fund consists of gifts from the Marguerite Rawalt Legal Defense Fund, the Rothschild Endowment, and other contributions. The restrictions are controlled by the original agreements establishing the endowment by the donor.

Campus Leadership Programs: Endowment funds are restricted for AAUW's campus leadership programs. These programs help shape the lives of thousands of college women to be the next generation of leaders.

Deferred Revenue

Deferred revenue consists primarily of membership dues and conference registrations received in advance of the period in which they are to be earned. Regular membership dues are recognized in the year to which they apply. Life membership dues are recognized evenly over 20 years. Conference revenue is recognized when the event occurs.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

Unconditional contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Conditional grants and contributions are not recorded as revenue until the related conditions have been satisfied. Amounts received for conditional grants are recorded as refundable advances until the conditions have been met. Grants and contributions received with donor imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Contributions and Grants Receivable

Contributions and grants receivable primarily consist of unconditional pledges from individuals, bequests, and irrevocable charitable lead and remainder trusts to be paid over various periods. Amounts that are expected to be collected within one year are recorded at net realizable value. Allowances for doubtful accounts are estimated based on the length of time outstanding and past history with donors. Amounts that are expected to be collected in future years are recorded at the present value of future cash flows. Management considers all contributions and grants receivable to be fully collectible; therefore, no allowance for doubtful accounts has been established.

Donated Services

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

Prior Year Summarized Information

The consolidated financial statements include certain prior year summarized comparative totals as of and for the year ended June 30, 2019. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Reclassifications

Certain 2019 amounts have been reclassified for comparative purposes.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

2. ADOPTION OF ACCOUNTING STANDARDS

During the year ended June 30, 2020, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides additional guidance in (1) evaluating whether transactions should be accounted for as contributions (within the scope of ASC 958) or as exchange (reciprocal) transactions (subject to ASC 606); and (2) distinguishing between conditional and unconditional contributions. Management believes that the adoption of this ASU enhances the comparability of financial information among not-for-profit entities. This change in accounting principle was adopted on a modified prospective basis for the year ended June 30, 2020. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2019.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's cash flows have seasonal variations due to the timing of membership dues, grants, and contributions. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

As of June 30, 2020 and 2019, the following financial assets and liquidity sources were available for general operating expenditures in the years ending June 30, 2021 and 2020:

	<u>2020</u>	<u>2019</u>
<i>Financial Assets</i>		
Cash and Cash Equivalents	\$ 5,230,252	\$ 1,883,587
Contribution Receivable Restricted for STEM	4,358,000	7,000,000
Contributions and Grant Receivable, Other	368,413	955,274
Other Receivables	177,944	211,222
Investments	120,193,774	122,300,159
Less Amounts with Donor Restriction for Purpose - STEM	(7,441,546)	(7,000,000)
Less Amounts with Donor Restriction for Purpose	(36,710,448)	(38,722,371)
Less Endowment Funds Held in Perpetuity	<u>(73,758,591)</u>	<u>(73,460,767)</u>
Total Financial Assets Available for General Operations	<u>\$ 12,417,798</u>	<u>\$ 13,167,104</u>

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2020 and 2019:

	2020	2019
Leasehold Improvements	\$ 2,844,397	\$ 4,266,594
Furniture and Equipment	930,530	930,530
Computer Equipment and Software	1,130,324	1,111,672
Website	292,073	-
Copyright	125,000	125,000
Work in Process	98,624	13,607
Telephone Equipment	22,441	22,441
Total	5,443,389	6,469,844
Less Accumulated Depreciation and Amortization	(1,801,121)	(1,682,466)
Property and Equipment, Net	\$ 3,642,268	\$ 4,787,378

5. CONCENTRATIONS

The Organization maintains demand deposits and money market accounts which, at times, may exceed federally insured limits. The Organization has not experienced any such losses in the past and does not believe it is exposed to any significant financial risk on these account balances.

For the year ended June 30, 2020, approximately 17% of contributions and grants revenue was from one donor. As of June 30, 2020, approximately 92% of contributions and grants receivable was due from one donor. As of June 30, 2019, approximately 55% of contributions and grants revenue was from one donor. As of June 30, 2019, approximately 87% of contributions and grants receivable was due from one donor.

6. COMMITTED AWARDS AND GRANTS PAYABLE

The Organization's Board of Directors approves certain awards and grants to be paid in accordance with program restrictions. Prior year amounts held are commitments to pay prior year awards that were extended upon request by the award recipients or are for the second year of a multi-year award.

Committed awards and grants payable consisted of the following as of June 30, 2020 and 2019:

	2020	2019
American Fellowships	\$ 1,846,213	\$ 1,849,104
International Fellowships	1,096,000	1,094,000
Research and Projects	414,476	919,751
NYC Metropolitan Area Fund	95,585	76,000
Research Publication Grant	101,948	105,963
International Project Grants	14,000	-
Home Country Project	-	32,748
Prior Year Amounts Held	65,869	60,870
Total Committed Awards and Grants Payable	\$ 3,634,091	\$ 4,138,436

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

7. SPLIT-INTEREST AGREEMENTS

Gift Annuities

As of June 30, 2020 and 2019, the total assets of the gift annuity funds, at fair market value, were approximately \$481,000 and \$544,000, respectively. As of June 30, 2020 and 2019, the actuarial present value of AAUW's interest in such funds was approximately \$117,000 and \$149,000, respectively, and was computed using interest rates ranging from 1.2% to 8.2%.

Charitable Remainder Unitrusts (CRUT)

As of June 30, 2020, the total assets of the charitable remainder unitrust, at fair market value, was approximately \$377,000. As of June 30, 2020, the actuarial present value of AAUW's interest in such funds was approximately \$225,000 and was computed using an interest rate of 2%.

8. RISKS AND UNCERTAINTIES

The Organization invests in professionally managed portfolios that contain cash, equities, bonds, mutual funds, mineral rights, and alternative investments. Such investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofit organizations around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

9. LEASE AGREEMENTS

AAUW has a lease agreement for office space through 2032. The lease commenced on June 1, 2016. Under the terms of the lease, AAUW received fifteen months of free rent. The lease includes an option to renew the lease for an additional five years if notice is given by May 31, 2031. The base rent increases annually based on scheduled increases provided for in the lease. The lessor provided lease incentives totaling approximately \$4,324,000. Under accounting principles generally accepted in the United States of America (GAAP), all rental payments, including fixed rent increases, 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 the GAAP rent expense and the required lease payments, as well as any unamortized lease incentives, are reflected as deferred rent and lease incentive in the accompanying consolidated statement of financial position.

In addition, AAUW is also required to maintain an irrevocable letter of credit in lieu of a security deposit of \$373,000. The letter of credit is secured by a collateral cash account in the same amount.

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

9. LEASE AGREEMENTS (CONTINUED)

AAUW entered into non-cancelable sublease agreements for office space. The sublease agreements expire on various dates through May 2032.

During 2020, the Organization entered into a sublease for a portion of its office lease which is at a reduced rate from the lease. Therefore, a loss was recorded in 2020 at the cease-use date in the amount of approximately \$1,115,000. For the year ended June 30, 2020, the sublease liability was approximately \$2,366,000.

AAUW has operating leases for certain office equipment. AAUW is obligated under the equipment leases through 2020.

Future minimum rental payments required under the leases are as follows:

For the Years Ending June 30,

2021	\$ 2,478,002
2022	2,571,573
2023	2,635,745
2024	2,701,802
2025	2,769,343
Thereafter	<u>21,386,844</u>
Subtotal Minimum Future Lease Rentals	34,543,309
Less Sublease Rental Income	<u>(9,223,934)</u>
Future Minimum Rental Payments, Net	<u>\$ 25,319,375</u>

For the years ended June 30, 2020 and 2019, rent expense was approximately \$2,269,000 and \$2,307,000, respectively. Rental income under the subleases was approximately \$398,000 and \$377,000 for the years ended June 30, 2020 and 2019, respectively.

10. FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment (examples include certain private equity securities-alternative investments and split-interest agreements).

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

10. FAIR VALUE MEASUREMENTS (CONTINUED)

The following presents the Organization's assets and liabilities measured at fair value as of June 30, 2020:

Description	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 1,183,751	\$ -	\$ -	\$ 1,183,751
Government Bonds	125,910	-	-	125,910
U.S. Common Stock	62,038	-	-	62,038
Mutual Funds				
Equity	442,704	-	-	442,704
Fixed Income	28,918,155	-	-	28,918,155
International Equities	23,818,485	-	-	23,818,485
Large Blended Trust	19,051,081	-	-	19,051,081
Large Value (Fixed Income)	12,307,149	-	-	12,307,149
Real Estate	5,262,857	-	-	5,262,857
U.S. Large Cap Equity	18,433,973	-	-	18,433,973
U.S. Small Cap Equity	10,587,671	-	-	10,587,671
Total Investments at Fair Value	<u>\$ 120,193,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,193,774</u>
Split Interest Agreements	\$ -	\$ -	\$ 516,929	\$ 516,929
Total Liabilities at Fair Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,929</u>	<u>\$ 516,929</u>

The following presents the Organization's assets and liabilities measured at fair value as of June 30, 2019:

Description	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 1,965,349	\$ -	\$ -	\$ 1,965,349
Government Bonds	154,937	-	-	154,937
Mineral Rights	-	-	133,105	133,105
U.S. Common Stock	57,183	-	-	57,183
Mutual Funds				
Equity	7,955,991	-	-	7,955,991
Fixed Income	2,444,798	-	-	2,444,798
International Equities	15,518,979	-	-	15,518,979
Large Blended Trust	18,074,390	-	-	18,074,390
Large Value (Fixed Income)	12,013,422	-	-	12,013,422
Long-Term Total Return (Fixed Income)	30,037,334	-	-	30,037,334
Real Estate	5,369,289	-	-	5,369,289
U.S. Large Cap Equity	17,793,903	-	-	17,793,903
U.S. Small Cap Equity	10,781,479	-	-	10,781,479
Total Investments at Fair Value	<u>\$ 122,167,054</u>	<u>\$ -</u>	<u>\$ 133,105</u>	<u>\$ 122,300,159</u>
Split Interest Agreements	\$ -	\$ -	\$ 394,781	\$ 394,781
Total Liabilities at Fair Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394,781</u>	<u>\$ 394,781</u>

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

10. FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary of changes in the fair value of the Organization's Level 3 assets for the years ended June 30, 2020 and 2019:

Description	2020	2019
Balance, Beginning of Year	\$ 133,105	\$ 153,975
Change in Unrealized Gain (Loss)	-	(20,870)
Realized Gain	<u>(133,105)</u>	-
Balance, End of Year	<u>\$ -</u>	<u>\$ 133,105</u>
Amount of Total Gain (Loss) for the Period Included in Changes in Net Assets Attributable to the Change in Unrealized Gains (Loss) Relating to Assets Still Held at the Reporting Date	<u>\$ -</u>	<u>\$ (20,870)</u>

The following is a summary of changes in the fair value of the Organization's Level 3 liabilities for the years ended June 30, 2020 and 2019:

Description	2020	2019
Balance, Beginning of Year	\$ 394,781	\$ 424,169
Contributions to Split-Interest Agreements	410,859	20,000
Distributions from Split-Interest Agreements	(251,217)	(24,327)
Change in Value of Split-Interest Agreements	33,362	36,021
Payments to Beneficiaries from Split-Interest Agreements	<u>(70,856)</u>	<u>(61,082)</u>
Balance, End of Year	<u>\$ 516,929</u>	<u>\$ 394,781</u>

The valuation of mineral rights is calculated from the most recent 12 months' net income from producing interests and includes a nominal value for non-producing properties, as provided by the investment manager.

The Organization's Level 3 liabilities are valued based on actuarial calculations.

11. RETIREMENT PLANS

AAUW sponsors a non-contributory defined contribution retirement plan (the Plan) available to all employees meeting certain eligibility requirements as defined by the Plan document. The Plan requires an employer contribution amounting to 6% of participant compensation. The employer contributions are used to purchase Teachers Insurance and Annuity Association Contracts and College Retirement Equity Fund Certificates for the individual participants' accounts.

AAUW also sponsors a defined contribution 401(k) savings plan (the Savings Plan) available to all employees meeting certain eligibility requirements as defined by the Savings Plan document. The Savings Plan requires an employer matching contribution of up to 4% of participant compensation within the current limits of the Internal Revenue Code.

For the years ended June 30, 2020 and 2019, AAUW's contributions under the above plans amounted to approximately \$392,000 and \$499,000, respectively.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
American Fellowships	\$ 25,772,466	\$ 26,588,761
STEM Education	7,441,546	7,000,000
International Fellowships	4,426,753	5,148,847
NYC Metropolitan Area Fund	4,324,658	5,090,334
Legal Advocacy Fund	1,138,512	803,605
Start Smart	397,262	149,784
Split-Interest Agreements	341,391	394,781
Tech Trek	137,755	205,662
Work Smart	68,161	25,000
Eleanor Roosevelt Fund	41,010	-
Mooneen Lecce	35,660	24,858
STEM Ambassador	19,553	290,061
Weston Foundation	6,577	-
Tech Savvy	637	625
Undergraduate Scholarships	53	53
Total Net Assets With Donor Restrictions	<u>\$ 44,151,994</u>	<u>\$ 45,722,371</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors for the years ended June 30, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
American Fellowships	\$ 2,818,013	\$ 2,695,623
International Fellowships	1,473,065	1,331,124
NYC Metropolitan Area Fund	890,696	402,751
STEM Education	857,926	-
Research and Projects	370,124	717,342
Start Smart	278,272	385,716
Research and Projects Endowment	259,700	-
Split-Interest Agreements	240,843	29,388
Legal Advocacy Fund	232,081	332,020
Other Funds	211,706	157,883
Tech Trek	75,518	199,761
Eleanor Roosevelt Fund	56,942	65,559
STEM Ambassador	30,375	5,625
Mooneen Lecce	25,076	-
Work Smart	6,839	-
NCCWSL	-	38,646
Tech Savvy	-	500
Total Net Assets Released from Restrictions	<u>\$ 7,827,176</u>	<u>\$ 6,361,938</u>

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

13. ENDOWMENT FUNDS

AAUW's endowment consists of numerous individual donor-restricted funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of AAUW has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, AAUW classifies as donor restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Fund.

The remaining portion of the donor-restricted endowment fund is classified as purpose restricted net assets until those amounts are appropriated for expenditure by AAUW in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, AAUW considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of AAUW, and (7) AAUW's investment policies.

AAUW has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The investment policy establishes an achievable return objective through diversification of asset classes. To satisfy its long-term rate-of-return objectives, AAUW 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). AAUW targets a diversified asset allocation that places an emphasis on fixed income and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of earnings annually distributed from AAUW's various endowed funds, for grant-making and administration. During the years ended June 30, 2020 and 2019, AAUW's spending policy was 5% and 7%, respectively, of the average value of the endowment portfolio for the trailing twelve quarters.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

13. ENDOWMENT FUNDS (CONTINUED)

Endowment funds as of June 30, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
American Fellowship Endowment	\$ 43,380,749	\$ 43,292,965
International Fellowship Endowment	17,239,106	16,816,074
Research and Projects Endowment	11,985,826	12,198,818
Legal Advocacy Fund	1,120,115	1,120,115
Campus Leadership Fund	32,658	32,658
Mooneen Lecce	137	137
Total Endowment Funds	<u>\$ 73,758,591</u>	<u>\$ 73,460,767</u>

Changes in endowment net assets for the year ended June 30, 2020, were as follows:

	<u>Purpose Restricted</u>	<u>Invested in Perpetuity</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 32,292,994	\$ 73,460,767	\$ 105,753,761
Contributions	659,751	557,524	1,217,275
Investment Return, Net	3,024,691	-	3,024,691
Amounts Appropriated for Expenditure	<u>(4,893,283)</u>	<u>(259,700)</u>	<u>(5,152,983)</u>
Endowment Net Assets, End of Year	<u>\$ 31,084,153</u>	<u>\$ 73,758,591</u>	<u>\$ 104,842,744</u>

There is one donor-restricted endowment at June 30, 2020, that has a value that is less than the original gifts. The fair value of the investments of that donor-restricted endowment fund was \$11,985,826 at June 30, 2020, and the original gifts that created that endowment fund was \$12,245,526. The deficit in that endowment at June 30, 2020, is \$259,700. The governing board continues to appropriate from this fund to support the program specified by the donors. Subsequent to year end, the fund balance was fully restored.

Changes in endowment net assets for the year ended June 30, 2019, were as follows:

	<u>Purpose Restricted</u>	<u>Invested in Perpetuity</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 31,230,049	\$ 73,176,021	\$ 104,406,070
Contributions	339,690	284,746	624,436
Investment Return, Net	5,801,515	-	5,801,515
Amounts Appropriated for Expenditure	<u>(5,078,260)</u>	<u>-</u>	<u>(5,078,260)</u>
Endowment Net Assets, End of Year	<u>\$ 32,292,994</u>	<u>\$ 73,460,767</u>	<u>\$ 105,753,761</u>

14. EMPLOYMENT AGREEMENT

The Organization entered into an employment agreement (the Agreement) with its Chief Executive Officer (CEO) that provides for annual salary, bonuses, and fringe benefits. The Agreement is effective from June 1, 2020 through June 30, 2023. If the Agreement is terminated early by the Organization, the CEO will receive ten months of full compensation in a lump sum.

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020**

15. CARES ACT PPP REFUNDABLE ADVANCE

AAUW has received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of \$725,000. PPP provides cash-flow assistance through 100% federally guaranteed loans to eligible recipients to maintain payroll during the COVID-19 public health emergency and cover certain other expenses. If AAUW maintains its workforce and meets certain requirements, up to 100% of the loan may be forgiven by the SBA. No more than 40% of the forgiven amount may be for non-payroll costs. Loans under PPP have an interest rate of 1% and may negotiate to a five-year maturity date, if not forgiven.

AAUW is accounting for this SBA loan as a conditional contribution since repayment has not been waived as of June 30, 2020, and as such the loan proceeds are shown as CARES Act PPP Refundable Advance in the consolidated statement of financial position.

16. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 10, 2020, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



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Independent Auditors' Report on Supplementary Information

Board of Directors
American Association of University Women, Inc.
and AAUW Action Fund, Inc.
Washington, D.C.

We have audited the consolidated financial statements of the American Association of University Women, Inc., and AAUW Action Fund, Inc., as of and for the year ended June 30, 2020, and have issued our report thereon dated December 10, 2020, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating detailed statement of financial position, consolidating detailed statement of activities and summary of expenditures charged to the Rothschild Award are presented for the purposes of additional analysis and are 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.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Washington, D.C.
December 10, 2020



**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**CONSOLIDATING DETAILED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020**

	<u>AAUW, Inc.</u>	<u>AAUW Action Fund</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Assets				
Cash and Cash Equivalents	\$ 5,179,579	\$ 50,673	\$ -	\$ 5,230,252
Contributions and Grants Receivable	4,726,413	-	-	4,726,413
Other Receivables	177,944	-	-	177,944
Prepaid Expenses and Other Assets	1,052,967	-	-	1,052,967
Due from AAUW, Inc.	-	227,850	(227,850)	-
Property and Equipment, Net	3,642,268	-	-	3,642,268
Investments	119,107,141	1,086,633	-	120,193,774
Total Assets	<u>\$ 133,886,312</u>	<u>\$ 1,365,156</u>	<u>\$ (227,850)</u>	<u>\$ 135,023,618</u>
Liabilities and Net Assets				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 833,524	\$ 2,185	\$ -	\$ 835,709
Due to AAUW Action Fund, Inc.	227,850	-	(227,850)	-
Committed Awards and Grants Payable	3,634,091	-	-	3,634,091
Deferred Revenue	1,829,251	-	-	1,829,251
Deferred Rent and Lease Incentive	4,703,929	-	-	4,703,929
Split Interest Agreements	516,929	-	-	516,929
CARES Act PPP Refundable Advance	725,000	-	-	725,000
Sublease Liability	2,366,042	-	-	2,366,042
Other Liabilities	282,490	-	-	282,490
Total Liabilities	15,119,106	2,185	(227,850)	14,893,441
Net Assets				
Without Donor Restrictions	856,621	1,362,971	-	2,219,592
With Donor Restrictions				
Purpose Restricted	44,151,994	-	-	44,151,994
Endowment Funds	73,758,591	-	-	73,758,591
Total With Donor Restrictions	117,910,585	-	-	117,910,585
Total Net Assets	118,767,206	1,362,971	-	120,130,177
Total Liabilities and Net Assets	<u>\$ 133,886,312</u>	<u>\$ 1,365,156</u>	<u>\$ (227,850)</u>	<u>\$ 135,023,618</u>

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**CONSOLIDATING DETAILED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>AAUW, Inc.</u>	<u>AAUW Action Fund</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Revenue and Support				
Contributions and Grants	\$ 6,425,148	\$ -	\$ (500,000)	\$ 5,925,148
Investment Return, Net	2,825,409	12,374	-	2,837,783
Rental Income	397,540	-	-	397,540
Membership Dues Income	2,744,972	140,530	-	2,885,502
Change in Value of Split- Interest Agreements	(33,363)	-	-	(33,363)
Conference Revenue	161,578	-	-	161,578
Other Income	294,064	-	-	294,064
	<u>12,815,348</u>	<u>152,904</u>	<u>(500,000)</u>	<u>12,468,252</u>
Expenses				
Program Services	9,362,561	583,220	(500,000)	9,445,781
Supporting Services				
Management and General	2,990,930	-	-	2,990,930
Development and Fundraising	1,764,626	3,681	-	1,768,307
	<u>14,118,117</u>	<u>586,901</u>	<u>(500,000)</u>	<u>14,205,018</u>
Change in Net Assets from Operations	(1,302,769)	(433,997)	-	(1,736,766)
Loss on Sublease	(1,114,984)	-	-	(1,114,984)
Change in Net Assets	(2,417,753)	(433,997)	-	(2,851,750)
Net Assets, Beginning of Year	<u>121,184,959</u>	<u>1,796,968</u>	<u>-</u>	<u>122,981,927</u>
Net Assets, End of Year	<u>\$ 118,767,206</u>	<u>\$ 1,362,971</u>	<u>\$ -</u>	<u>\$ 120,130,177</u>

**AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, INC.
AND AAUW ACTION FUND, INC.**

**SUMMARY OF EXPENDITURES CHARGED TO THE ROTHSCHILD AWARD
FOR THE YEAR ENDED JUNE 30, 2020**

Amounts Available for Expenditures, Beginning of Year	\$ 42,124
Income Earned*	56,762
Expenditures	
Case Support (At Least 60% Each Year)	60,780
Public Education (No More Than 30% of Net Income)	14,707
Overhead (No More Than 10% of Net Income)	<u>7,549</u>
Total Expenditures	<u>83,036</u>
Amounts Available for Expenditures, End of Year	<u><u>\$ 15,850</u></u>

* Income earned on the Rothschild Award during fiscal year 2019 is to be used in the year ending June 30, 2020 (income is spent in arrears, after the amount is known).

The Rothschild Award activity above is included in the Legal Advocacy Fund in the accompanying consolidated financial statements.