

The Center for Reproductive Rights, Inc.

Financial Statements
Year Ended June 30, 2021

The Center for Reproductive Rights, Inc.

Financial Statements
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The Center for Reproductive Rights, Inc.

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Independent Auditor's Report

The Board of Directors
The Center for Reproductive Rights, Inc.
New York, New York

Opinion

We have audited the financial statements of The Center for Reproductive Rights, Inc. (the Center), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2021, and the changes in its net assets, its functional expenses, 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Center 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Center's internal control. Accordingly, no such opinion is expressed.
- 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 have previously audited the 2020 financial statements of The Center for Reproductive Rights, Inc. and our report, dated December 18, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

October 27, 2021

The Center for Reproductive Rights, Inc.

Statement of Financial Position (with comparative totals for 2020)

<i>June 30,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 27,295,311	\$ 18,222,443
Investments, at fair value	25,077,171	20,585,271
Grants and contributions receivable, net of allowance and discount	12,550,679	6,586,232
Prepaid expenses and other assets	591,815	283,679
Fixed assets, net	621,483	915,864
Total Assets	\$ 66,136,459	\$ 46,593,489
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,419,392	\$ 690,315
Accrued salaries and related benefits	1,888,252	1,169,241
PPP loan payable	-	3,305,897
Deferred rent payable	461,809	569,125
Total Liabilities	3,769,453	5,734,578
Commitments and Contingencies		
Net Assets		
Without donor restrictions	41,853,724	18,694,310
With donor restrictions	20,513,282	22,164,601
Total Net Assets	62,367,006	40,858,911
Total Liabilities and Net Assets	\$ 66,136,459	\$ 46,593,489

See accompanying notes to financial statements.

The Center for Reproductive Rights, Inc.

Statement of Activities (with comparative totals for 2020)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	2021	2020
Public Support, Revenues, Other Support, and Losses				
Foundation grants	\$ 214,549	\$ 16,571,061	\$16,785,610	\$ 11,625,738
Contributions	21,803,243	10,027,159	31,830,402	16,759,072
Foreign governments and international organization grants	158,941	90,000	248,941	451,659
Awards	-	-	-	402,412
Donated services	28,802,667	-	28,802,667	27,368,888
Special events, net of direct costs of \$258,421 and \$228,576	2,788,194	100,500	2,888,694	2,522,626
Other income	13,656	-	13,656	58,839
Loss on disposal of fixed assets	-	-	-	(8,059)
Net assets released from restrictions	28,440,039	(28,440,039)	-	-
Total Public Support, Revenues, Other Support, and Losses	82,221,289	(1,651,319)	80,569,970	59,181,175
Expenses				
Program services:				
U.S. Program	33,212,958	-	33,212,958	29,634,155
Global Legal Program	13,809,761	-	13,809,761	13,823,052
Communications and marketing	2,938,434	-	2,938,434	6,541,327
Total Program Services	49,961,153	-	49,961,153	49,998,534
Supporting services:				
Management and general	8,506,252	-	8,506,252	7,714,866
Fundraising	6,232,906	-	6,232,906	5,897,584
Total Supporting Services	14,739,158	-	14,739,158	13,612,451
Total Expenses	64,700,311	-	64,700,311	63,610,985
Change in Net Assets, before PPP loan forgiveness, loss on foreign currency exchange, and investment income				
	17,520,978	(1,651,319)	15,869,659	(4,429,810)
PPP Loan Forgiveness	3,342,435	-	3,342,435	-
Loss on Foreign Currency Exchange	(63,288)	-	(63,288)	(23,629)
Investment Income, Net	2,359,289	-	2,359,289	(69,700)
Change in Net Assets	23,159,414	(1,651,319)	21,508,095	(4,523,139)
Net Assets, beginning of year	18,694,310	22,164,601	40,858,911	45,382,050
Net Assets, end of year	\$ 41,853,724	\$ 20,513,282	\$62,367,006	\$ 40,858,911

See accompanying notes to financial statements.

The Center for Reproductive Rights, Inc.

Statement of Functional Expenses
(with comparative totals for 2020)

Year ended June 30,

	Program Services				Supporting Services				2021	2020
	U.S. Program	Global Legal Program	Communications and Marketing	Total	Management and General	Fundraising	Direct Costs of Special Events	Total		
Salaries	\$ 7,355,587	\$ 4,088,219	\$ 1,525,467	\$ 12,969,273	\$ 3,416,740	\$ 3,613,991	\$ -	\$ 7,030,731	\$ 20,000,004	\$ 19,358,583
Payroll taxes and employee benefits	2,084,678	1,108,953	336,838	3,530,469	1,586,692	1,131,510	-	2,718,202	6,248,671	5,336,822
Total Salaries and Related Expenses	9,440,265	5,197,172	1,862,305	16,499,742	5,003,432	4,745,501	-	9,748,933	26,248,675	24,695,405
Professional fees	594,441	682,066	699,341	1,975,848	1,805,888	412,469	-	2,218,357	4,194,205	4,773,120
Investment fees	-	-	-	-	30,063	-	-	30,063	30,063	37,872
Printing and publications	11,813	40,324	74,417	126,554	16	223,815	-	223,831	350,385	399,103
Dues, fees, and subscriptions	287,215	50,175	67,262	404,652	78,228	114,350	-	192,578	597,230	506,632
Travel	21,309	13,782	1,211	36,302	4,014	-	-	4,014	40,316	1,632,612
Hall, catering, and entertainment	-	-	-	-	-	-	258,421	258,421	258,421	228,576
Direct mail	-	17,376	-	17,376	25	194,195	-	194,220	211,596	216,232
Equipment and maintenance	67,976	73,773	16,312	158,061	32,526	27,984	-	60,510	218,571	147,659
Telecommunications	78,750	68,470	16,429	163,649	32,403	35,381	-	67,784	231,433	145,343
Office supplies	70,105	55,470	62,337	187,912	152,130	96,101	-	248,231	436,143	629,095
Insurance	-	2,730	-	2,730	193,933	-	-	193,933	196,663	126,074
Occupancy	886,013	571,935	120,383	1,578,331	336,707	286,201	-	622,908	2,201,239	2,216,368
Grants	133,013	394,142	-	527,155	142	-	-	142	527,297	352,584
Miscellaneous	10,136	2,156	252	12,544	84,222	52,744	-	136,966	149,510	65,110
Total Expenses, before donated services, direct cost of special events, investment fees, and depreciation and amortization	11,601,036	7,169,571	2,920,249	21,690,856	7,753,729	6,188,741	258,421	14,200,891	35,891,747	36,171,785
Donated services	21,518,397	6,534,624	-	28,053,021	749,646	-	-	749,646	28,802,667	27,368,888
Direct costs of special events	-	-	-	-	-	-	(258,421)	(258,421)	(258,421)	(228,576)
Investment fees	-	-	-	-	(30,063)	-	-	(30,063)	(30,063)	(37,872)
Depreciation and amortization	93,525	105,566	18,185	217,276	32,940	44,165	-	77,105	294,381	336,760
Total Expenses	\$ 33,212,958	\$ 13,809,761	\$ 2,938,434	\$ 49,961,153	\$ 8,506,252	\$ 6,232,906	\$ -	\$ 14,739,158	\$ 64,700,311	\$ 63,610,985

See accompanying notes to financial statements.

The Center for Reproductive Rights, Inc.

Statement of Cash Flows (with comparative totals for 2020)

<i>Year ended June 30,</i>	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 21,508,095	\$ (4,523,139)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
PPP loan forgiveness	(3,342,435)	-
Donated securities	(3,544,939)	(3,070,772)
Proceeds from donated securities	3,581,136	2,989,105
Depreciation and amortization	294,381	336,760
Net realized and unrealized loss (gain) on investments	(1,910,667)	(366,603)
Loss on disposal of fixed assets	-	8,059
Decrease (increase) in assets:		
Grants and contributions receivable, net	(5,964,447)	6,897,129
Prepaid expenses and other assets	(308,136)	19,649
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	765,615	(101,591)
Accrued salaries and related benefits	719,011	204,305
Deferred rent payable	(107,316)	(482,909)
Deferred revenue	-	(7,676)
Net Cash Provided by Operating Activities	11,690,298	1,902,317
Cash Flows from Investing Activities		
Purchases of fixed assets	-	(73,058)
Purchases of investments	(18,127,919)	(6,131,727)
Proceeds from sales of investments	15,510,489	6,372,069
Net Cash Provided by (Used in) Investing Activities	(2,617,430)	167,284
Cash Flows from Financing Activities		
PPP funds received	-	3,305,897
Net Cash Provided by (Used in) Financing Activities	-	3,305,897
Net Change in Cash and Cash Equivalents	9,072,868	5,375,498
Cash and Cash Equivalents, beginning of year	18,222,443	12,846,945
Cash and Cash Equivalents, end of year	\$ 27,295,311	\$ 18,222,443

See accompanying notes to financial statements.

The Center for Reproductive Rights, Inc.

Notes to Financial Statements

1. Nature of Organization

The Center for Reproductive Rights, Inc. (the Center) is a nonprofit legal advocacy organization dedicated to promoting and defending women's reproductive rights worldwide.

The Center is a not-for-profit tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code). The Center is primarily supported by grants, contributions, and donated services.

The Center for Reproductive Rights uses the power of law to advance reproductive rights as fundamental human rights around the world.

The Center envisions a world where every person participates with dignity as an equal member of society, regardless of gender. Where every woman is free to decide whether or when to have children and whether to get married, where access to quality reproductive health care is guaranteed, and where every woman can make these decisions free from coercion or discrimination.

Since 1992, the Center's attorneys have boldly used legal and human rights tools to create this world. The Center is the only global legal advocacy organization dedicated to reproductive rights, with expertise in both U.S. constitutional and international human rights law. The Center's groundbreaking cases before national courts, United Nations committees, and regional human rights bodies have expanded access to reproductive healthcare, including birth control, safe abortion, prenatal, and obstetric care, and unbiased information. The Center influences the law outside the courtroom as well, documenting abuses, working with policymakers to promote progressive measures, and fostering legal scholarship and teaching on reproductive health and human rights.

The Center is a legal innovator seeking to fundamentally transform the landscape of reproductive health and rights worldwide, and has already strengthened laws and policies in more than 50 countries.

U.S. Program

The U.S. Program works to protect and advance reproductive rights and access to reproductive health care in the United States, grounded in the Center's legal expertise through impact litigation, legal policy, and advocacy strategies. The legal victories of the U.S. program have helped millions of people and communities by striking down abortion bans and other restrictions on access to reproductive health care, legislative advocacy for improved access to quality abortion and respectful maternal health care, advocating for laws and policies to ensure that individuals seeking to form a family have equitable and non-discriminatory access to assisted reproduction, and expanding access to effective and affordable modern contraception.

The Center's U.S. policy and advocacy team works in partnership at the state and national levels to protect and promote reproductive rights and health. It advocates for domestic and foreign policy that advances reproductive health and rights in order for communities, especially those experiencing intersecting forms of discrimination, to prosper.

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The legal victories of the U.S. program include two U.S. Supreme Court victories in the last six years:

- The 2020 U.S. Supreme Court decision in *June Medical Services v. Russo*, which allowed abortion clinics in Louisiana to stay open to serve the one million women of reproductive age in the state.
- The landmark 2016 U.S. Supreme Court decision in *Whole Woman's Health v. Hellerstedt*, affirming a woman's right to access abortion and striking down abortion restrictions in Texas, constituting an "undue burden" on the constitutional rights of women.

In 2021, the Center will be before the U.S. Supreme Court again in what will be the most consequential abortion rights case in a generation, *Dobbs v. Jackson Women's Health Organization*, which is a direct challenge to the core holding of *Roe v. Wade*.

Global Legal Program

The Center works to build stronger legal guarantees, enforce existing legal guarantees, and defend against backsliding on legal guarantees to reproductive decision-making and access to services at the national, regional, and international levels to improve the lives of women and girls so they can exercise their fundamental rights to their bodily autonomy.

The global legal program includes work in Asia, Europe, Latin America and the Caribbean, Sub-Saharan Africa, and at the United Nations working to secure stronger legal guarantees to reproductive decision-making and autonomy in the areas of abortion, maternal health, contraception, sexual and reproductive health and rights access in humanitarian settings, and adolescents and the full exercise of their sexual and reproductive health and rights.

For nearly 30 years, the Center's innovative legal strategies have been a driving force in many of the most important advances in reproductive rights law worldwide, and in broadening how human rights are understood and applied to some of the most pressing challenges societies face today. The Center's groundbreaking cases before national courts, United Nations committees, and regional human rights bodies have dramatically expanded access to reproductive health care and redressed rights violations.

Recent victories include:

- The landmark decision at the inter-American court of human rights ruling that the government of Ecuador was responsible for failing to protect our client Dona Petita Albarracin's daughter, Paola, from being raped repeatedly from the age of 14 to 16 by her vice principal at her public school. This ruling clarified for the first time that the right to education must also include sexual and reproductive education to prevent sexual violence in schools and will also require all countries in Latin America to guarantee girls and adolescents access to sexual and reproductive education, autonomy, and recognize the importance of consent as the foundation of sexual and reproductive rights.
- In 2018, the Center won a landmark maternal health case in Kenya where our client, Josephine Majani, was in labor at Bungoma county hospital and was denied care, forced to deliver her child on the floor, and then was abused by hospital staff, which was captured on video. Ms. Majani was awarded \$25,000, the hospital staff formally apologized to her, and

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this decision set a precedent demanding women be given quality care and treated with dignity during childbirth in Kenya.

- In Nepal, the Center's multi-year litigation and policy reform efforts led to the passage of the "Safe Motherhood and Reproductive Health Rights Act" in 2018, recognizing under its constitution women's rights to safe motherhood and comprehensive reproductive health care as fundamental rights. This bill covers all reproductive health care services related to safe motherhood, family planning, reproductive health-related morbidity, and safe abortion at no cost at all government facilities.
- In Ireland, the Center also made a significant contribution to the multiyear law reform process on abortion that culminated in the legalization of abortion in 2019. For example, in 2016 and 2017 the Center secured two seminal decisions from the un human rights committee against Ireland that played a critical role in securing government and legislative action to call a constitutional referendum on abortion.

Communications and Marketing

The communications and marketing department educates and informs key stakeholders and audiences on the importance of building, enforcing, and defending legal guarantees in order for communities around the world to live under stronger legal protections for reproductive rights, advancing the Center's mission. The communications and marketing department accomplishes the Center's objectives by effectively communicating through its institutional channels (website, social media, and direct response), earned media, events, thought leadership, content strategy, arts and entertainment engagement, marketing, and partnerships.

Reclassification

Certain prior year balances have been reclassified to be consistent with the current year financial statement presentation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Center have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America (U.S. GAAP). In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The Center's net assets and its support, revenue, and expenses are based on the existence or absence of donor-imposed restrictions. The amounts are classified in either of the two classes of net assets defined below and displayed in the statement of financial position, and the amounts of change in each of those classes of net assets are displayed in the statement of activities.

Net Assets Without Donor Restrictions - The part of net assets that is not restricted by donor-imposed stipulations and/or the net assets that the Board of Directors has to use in carrying on the operations of the Center.

The Center for Reproductive Rights, Inc.

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Net Assets with Donor Restrictions - Net assets resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Center, and those that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those stipulations. When such stipulations end or are fulfilled, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities.

Cash and Cash Equivalents

The Center considers all highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents, except for cash and money market funds contained in the Center's investment portfolio.

Financial instruments that potentially subject the Center to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.

Foreign Currency Translation

Based on several factors, including the dominant role of the U.S. currency in the funding of the Center's programs, management considers the U.S. dollar to be the Center's functional currency. As such, the Center's monetary assets held in foreign currencies are translated using the current rate at the statement of financial position date. Revenues and expenses that occur during a period are translated for practical purposes using a weighted average exchange rate for the period.

The foreign currency translation gains and losses are recorded on the Center's statement of activities as a foreign currency exchange gain or loss. For the year ended June 30, 2021, the Center recognized a foreign currency exchange loss of \$63,288.

Investments, at Fair Value

The Center follows Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, which establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Center. Unobservable inputs are inputs that reflect the Center's assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs, as follows:

Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Level 2 inputs include: (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical assets or liabilities traded in non-active markets (i.e., dealer or broker markets), and (iii) inputs other than quoted prices that are observable or inputs derived from or corroborated by market data.

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Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Grants and Contributions Receivable

Unconditional promises to give (pledges) are recorded as income when the Center is formally notified of the grants or contributions by the respective donors. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. As of June 30, 2021, the Center had recorded \$9,902 of discount on pledges receivable. Conditional promises to give are not included as support until the conditions are substantially met.

Allowance for Doubtful Accounts

The Center determines whether an allowance for uncollectible should be provided for grants and contributions receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent collections, and historical information. Grants and contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of June 30, 2021, the Center had a \$50,000 allowance for doubtful accounts.

Fixed Assets, Net

Fixed assets are recorded at cost. These amounts do not purport to represent replacement or realizable values. The Center capitalizes all property and equipment having a cost of \$5,000 or more and a useful life of greater than one year.

Depreciation and Amortization

Depreciation is provided on the straight-line basis over the estimated useful lives of assets. Leasehold improvements are amortized on the straight-line basis over the lesser of their useful lives or the term of the lease.

Impairment of Fixed Assets

ASC 360, *Property, Plant and Equipment*, provides a single accounting model for long-lived assets to be disposed of. ASC 360 also changes the criteria for classifying an asset as held for sale, broadens the scope of businesses to be disposed of that qualify for reporting as discontinued operations, and changes the timing of recognizing losses on such operations.

In accordance with ASC 360, long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the statement of financial position and reported

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at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position. For the year ended June 30, 2021, there were no impairments recorded in the financial statements.

Deferred Rent Payable

The Center leases real property under operating leases expiring at various dates in the future. Since the rentals increase over time, the Center records an adjustment to rent expense each year to reflect its straight-lining policy. The annual adjustment recorded for the year ended June 30, 2021, was a decrease in the liability in the amount of \$107,316. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying statement of financial position.

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of the end of the fiscal year and is recorded as a liability. The Center's deferred revenue consists of advances received for bilateral and multilateral grants for services to be delivered in a future period. The Center also generates deferred revenue from prepayment for tickets for the annual Gala event to be held in the next fiscal year.

Revenue is recognized in the future period when the services are provided or when the event takes place. All deferred revenue is expected to be earned in the next fiscal year.

Revenue Recognition - ASC Topic 606

The Center adopted ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), on July 1, 2020. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below.

1. Identify the contract(s) with a customer.
2. Identify the performance obligation in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Center recognizes revenue when control of the promised goods or services are transferred to outside parties in the amount that reflects the consideration the Center expects to be entitled to in exchange for those goods or services. ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amounts, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Center has identified awards as the only revenue category subject to the adoption of ASC 606.

The results of ASC 606 did not have a material impact on the financial position, changes in net assets, cash flows, business processes, controls, or systems of the Center.

The Center for Reproductive Rights, Inc.

Notes to Financial Statements

Revenues with customers is comprised of:

<i>June 30,</i>		2021	2020
Awards	\$	-	\$ 402,412
Total Revenue from Contracts Subject to ASC 606		-	402,412
Other revenues not subject to ASC 606 ⁽¹⁾		80,569,970	58,778,763
Total Operating Revenues	\$	80,569,970	\$ 59,181,175

⁽¹⁾ Other operating revenues not subject to ASC 606 include foundation grants, contributions, foreign government, and international organization grants, donated services, special events, and other income.

There are no receivables or contract balances from contracts with customers.

Awards - The Center receives monetary awards in exchange for successful litigations. The awards are reimbursements for legal and other costs associated with the litigation process. The Center recognizes the revenue when the performance obligation is fulfilled at the conclusion of the litigation when court issues the award letter.

Contributions and Grants

Contributions, which include pledges, are recognized as revenues in the period promised. The Center considers all contributions available for unrestricted use, unless specifically restricted by the donor or due in future periods, in which case they are recorded as restricted revenue. Contributions with donor-imposed restrictions that are met in the same year as received are reported as net assets without donor restrictions. Allowances are provided for amounts estimated to be uncollectible.

Expense-based grants are recognized as allowable expenses are incurred. Such revenues are subject to audit by the granting agencies. No provision for any disallowances is reflected in the financial statements, since management does not anticipate any material adjustments.

Timing differences, which occur between the recognition of restricted contributions and the incurring of expenses meeting those donor-imposed restrictions, will result in increases or decreases in restricted net assets and total net assets, that are unrelated to operations.

Donated Services

Donated services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. The Center received donated services consisting primarily of legal and volunteer services. These donated services have been valued at the standard market rates that would have been incurred by the Center to obtain them and are reported as both revenue and expense in the accompanying financial statements because they meet the criteria, as prescribed by U.S. GAAP. The donated legal and volunteer services for the year ended June 30, 2021 amounted to \$28,802,667.

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Performance Indicator

The statement of activities includes change in net assets before loss on foreign currency exchange and investment income as the performance indicator. Changes in net assets without donor restrictions, which are excluded from the performance indicator, include net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These types of expenses are allocated based on the actual time spent per approved budget on each project.

Income Taxes

The Center is incorporated in the state of New York and is exempt from federal, state, and local income taxes under Section 501(c) (3) of the Code, and therefore has made no provision for income taxes in the accompanying financial statements.

The Center has not taken an unsubstantiated tax position that would require provision of a liability under ASC 740. Under ASC 740, an organization must recognize the tax liabilities associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination. The Center does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits as of June 30, 2021. The Center has filed IRS Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. For the year ended June 30, 2021, there were no interest or penalties recorded or included in the accompanying financial statements.

Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Recently Adopted Accounting Pronouncement

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new

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revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cashflows arising from contracts with customers, including significant judgements and changes in judgements. The FASB also issued ASU 2020-05, which deferred the effective date of the provision for the Center. The provision became effective and was adopted for the Center beginning July 1, 2020.

Effective July 1, 2020, the Center elected the modified retrospective approach in adopting ASU 2014-09 to all contracts under the scope of the guidance. The adoption of this ASU did not have a material impact on the consolidated financial statements

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU modifies certain disclosure requirements in Topic 820, *Fair Value Measurement*. The Center adopted this provision for fiscal year 2021. The adoption of this ASU did not have a material impact on the consolidated financial statements.

Not-for-Profit Entities (Topic 958)

The FASB issued ASU 2020-07 (the Update) to clarify the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items.

The enhanced presentation and disclosure requirements include the contributed nonfinancial assets as separately stated as an individual line item in the statement of activities, distinct from contributions of cash or other financial assets. The contributed nonfinancial assets are also disaggregated in a footnote by category that shows the type of contributed nonfinancial assets in the statement of activities. For each type of contributed nonfinancial assets recognized, a not-for-profit will disclose the not-for-profit's policy (if any) on liquidating rather than using contributed nonfinancial assets; qualitative considerations on whether the contributed nonfinancial assets were liquidated or used during the reporting period, and, if used, a description of how the asset was employed should be included; any donor-imposed restrictions related to the contributed nonfinancial assets; and the valuation methods and inputs utilized to determine a fair value. In accordance with Topic 820, *Fair Value Measurement*, it should be measured at initial recognition. The principal or most advantageous market is utilized to calculate fair value if it is a market in which the not-for-profit is restricted by the donor from selling or utilizing the contributed nonfinancial assets.

The Update has been adopted for the year ended June 30, 2021 and does not change existing recognition and measurement requirements for contributed nonfinancial assets.

Accounting Pronouncements Issued but Not Yet Adopted

Leases (Topic 842)

On February 25, 2016, the FASB issued ASU 2016-02, *Leases*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured

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on a discounted basis, and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The FASB also issued ASU 2020-05, which deferred the effective date for the Center until annual periods beginning after December 15, 2021, and the Center is currently evaluating the impact of the pending adoption of ASU 2016-02.

3. Liquidity and Availability of Resources

The Center's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

June 30, 2021

Cash and cash equivalents	\$	27,295,311
Investments at fair value		25,077,171
Grants and contributions receivable, current portion net		6,685,581
Total Financial Assets Available Within One Year		59,058,063
Less: amounts unavailable for general expenditure within one year		(20,513,282)
Total Financial Assets Available to Management for General Expenditure Within One Year	\$	38,544,781

Liquidity Management

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. Investments, at Fair Value

The fair value of investments is summarized below:

June 30, 2021

		Fair Market Value (Level 1)
Cash and money market accounts	\$	137,686
Mutual funds		12,616,288
Stocks		52,034
Fixed income		12,271,163
Total	\$	25,077,171

The following is a description of the valuation methodologies used for assets measured at fair value hierarchy, in accordance with ASC 820. There have been no changes in the methodologies used at June 30, 2021, as compared to those used at June 30, 2020.

Cash and Money Market Accounts - These are valued at cost plus interest, which approximates fair value.

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Mutual Funds - These are valued at the net asset value (NAV) of shares as estimates of fair value as a practical expedient. Investments in mutual funds are classified as Level 1 investments, as valuations are obtained from real time quotes for transactions in active markets involving identical assets.

Stocks - These are valued using nationally recognized pricing services based on observable market date and are classified as Level 1.

Fixed Income - These are valued at the last reported market value by the holding institution and is classified as Level 1.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment income consists of the following:

June 30, 2021

Interest and dividends	\$	431,787
Net unrealized loss on investments		(944,731)
Net realized gain on investments		2,902,296
Investment fees		(30,063)
Investment Income	\$	2,359,289

5. Grants and Contributions Receivable, Net

Grants and contributions receivable consist of the following:

June 30, 2021

Amount due in less than one year	\$	6,685,581
Amount due from one to five years		5,875,000
		12,560,581
Less: unamortized discount to present value		(9,902)
Net Present Value	\$	12,550,679

The contributions received after one year are discounted to fair value using rates ranging from 0.19% to 2.57% for the year ended June 30, 2021. The rate is equal to the risk-free interest rate, which is the U.S. Treasury note interest in effect at the time the contributions are made and equal in duration to the length of time that contributions are to be paid over.

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6. Fixed Assets, Net

June 30, 2021

		Useful Lives (Years)
Furniture and fixtures	\$ 1,288,431	3 to 7
Office equipment	547,169	3 to 5
Leasehold improvements	713,188	9 to 15
	2,548,788	
Less: accumulated depreciation and amortization	(1,927,305)	
Fixed Assets, Net	\$ 621,483	

Depreciation and amortization expense for the year ended June 30, 2021 amounted to \$294,381.

7. Employee Benefit Plan

The Center has a defined-contribution plan for all eligible employees. Contributions by the Center are discretionary for employees who meet certain length-of-service requirements. The employer contributions on behalf of the participants are fully vested on the date they become eligible and amounted to \$1,244,750 for the year ended June 30, 2021.

8. Net Assets with Donor Restrictions

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

June 30, 2021

U.S. Program	\$ 8,219,290
Global Legal Program	3,909,544
Time-restricted	7,380,328
Endowment Fund	1,004,120
	\$ 20,513,282

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors:

June 30, 2021

U.S. Program	\$ 19,828,408
Global Legal Program	4,157,159
Time-restricted	4,454,472
	\$ 28,440,039

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9. Commitments and Contingencies

The Center has various noncancelable operating leases for office space and equipment expiring through 2025.

Future minimum lease payments are as follows:

June 30,		
2022	\$	2,175,313
2023		2,147,119
2024		2,072,753
2025		1,266,718
	\$	7,661,903

Rent expense for the year ended June 30, 2021 was \$2,164,847.

10. Foreign Governments and International Organization Grants

On March 1, 2017, the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), a subsidiary organization of the United Nations, awarded the Center a reimbursement-based grant amounting to \$499,789 over a period of three years. The project aims to improve the health and well-being of Honduran survivors of sexual violence by increasing access to essential, safe, and adequate reproductive health services through the creation of the political conditions necessary for advancing legal protections and full recognition of women's sexual and reproductive rights. For the year ended June 30, 2021, the Center recognized \$175,686 of grant revenue related to this grant.

The Center also received various other foreign grants during fiscal year 2021 totaling \$72,255.

11. Endowment Funds

General

The Center's endowment consists of one donor-restricted endowment fund established for the Blackmun fellowship attorneys' general support expenses of the U.S. Legal Program, an \$80,000 annual commitment that will rise with inflation. The legal fellowship is primarily supported by a distribution from the endowment fund, which the Center takes annually. The Center also draws upon additional sources, including the endowment, as the annual distribution from the endowment fund is not sufficient to support the \$80,000 legal fellowship. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Center has adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Center is governed by the NYPMIFA spending policy, which establishes a standard

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maximum prudent spending limit of 7% of the average of its previous five years' balance. As a result of this interpretation, the Center classifies as permanently 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 that is not classified in net assets restricted in perpetuity is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Return Objectives, Strategies Employed, and Spending Policy

The Center seeks to earn a 5% annualized real rate of return, and to protect the \$1,004,120 original endowment. Given that its assets are currently \$1,794,159, the Blackmun Fund has a substantial cushion to protect the original endowment from capital losses in unfavorable markets. The Center expects to take an annual withdrawal from the Blackmun Fund of up to 5% of the average balance over the previous three years. The Board appropriated a distribution in June 2021.

Funds with Deficiencies

The endowment fund is not underwater.

Endowment Net Asset Composition by Type of Fund

The endowment net asset composition consists of donor-restricted funds of \$1,794,159.

Changes in Endowment Net Assets

June 30, 2021

	With Donor Restrictions
Endowment Net Assets, beginning of year	\$ 1,457,629
Appropriation for expenditure	(81,400)
Interest and dividends	35,204
Unrealized gain	(135,065)
Realized gain	523,407
Investment fees	(5,616)
Endowment Net Assets, end of year	\$ 1,794,159

12. Risks and Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of the COVID-19 outbreak, the Center incurred minimal additional costs as employees of the Center have been working remotely since March 2020. The Center did see a decrease in travel

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expenses as travel for program services was suspended; however, there was an increase in professional services as, to continue all programs, local partnerships were created or expanded to make up for the Center's employees not traveling.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on the Center's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was enacted. The CARES Act contains measures designed to bring some economic and fiscal relief to companies, small businesses, and individuals facing financial difficulties due to the COVID-19 crisis.

During April of 2020, the Center applied for and received a CARES Act Paycheck Protection Program (PPP) Loan administered by the United States Small Business Administration totaling \$3,305,897. In June of 2021, the full loan principal and interest totaling \$3,342,435 was forgiven and has been recorded as revenue on the statement of activities.

On December 27, 2020, Congress enacted the Consolidated Appropriations Act, 2021 (the Act), which includes \$900 billion in stimulus relief as a result of the COVID-19 pandemic. On March 10, 2021, President Biden signed the \$1.9 trillion American Rescue Plan Act into law. The Center does not intend to apply for funding under the Act and American Rescue Plan Act.

13. Conditional Grants

The Center has grant agreements with a single donor that consists of providing conditional funding in future years, amounting to approximately \$650,000 at June 30, 2021. A corresponding grant receivable has not been recorded on the statement of financial position, as the conditional grants are contingent upon incurring qualifying expenditures and fulfilling milestones. Conditional promises to give are recognized when the conditions on which they depend upon are substantially met. Until that point, any amounts that are received are recorded as refundable advances.

14. Subsequent Events

The Center has performed subsequent event procedures through October 27, 2021, which is the date the financial statements were available for issuance. There were no subsequent events requiring adjustments or disclosures to the financial statements.