

**The Center for Reproductive Rights, Inc.**

Financial Statements

June 30, 2023

**The Center for Reproductive Rights, Inc.**

Financial Statements  
June 30, 2023

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## Independent Auditors' Report

### Board of Directors

**The Center for Reproductive Rights, Inc.**

### Opinion

We have audited the accompanying financial statements of The Center for Reproductive Rights, Inc. (the "Center"), which comprise the statement of financial position as of June 30, 2023, and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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.

### Prior Period Financial Statements

The financial statements of the Center as June 30, 2022, were audited by other auditors whose report dated October 27, 2022, expressed an unmodified opinion on those statements. The summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Change in Accounting Policy

As discussed in Note to the financial statements, the Center adopted Financial Accounting Standards Board ("FASB") Topic 842, Leases, which resulted in the recognition of a right of use asset and related lease liability, effective July 1, 2022. Our opinion is not modified with respect to that matter.

### 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 available to be issued.

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.

*PKF O'Connor Davies, LLP*

October 27, 2023

**The Center for Reproductive Rights, Inc.**

Statement of Financial Position  
June 30, 2023  
(with comparative amounts at June 30, 2022)

	June 30	
	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 30,880,709	\$ 33,314,429
Investments, at fair value	48,382,046	38,884,422
Grants and contributions receivable, net of discount	10,402,977	15,103,592
Prepaid expenses and other assets	1,366,550	562,289
Fixed assets, net	469,396	522,323
Operating right of use assets, net	20,926,446	-
	<b>\$ 112,428,124</b>	<b>\$ 88,387,055</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 1,969,567	\$ 5,477,901
Accrued salaries and related benefits	1,899,916	1,797,964
Deferred revenue	90,324	-
Deferred rent payable	-	350,265
Operating lease liabilities	21,341,051	-
Total Liabilities	25,300,858	7,626,130
Net Assets		
Without donor restrictions	62,414,563	49,483,094
With donor restrictions	24,712,703	31,277,831
Total Net Assets	87,127,266	80,760,925
	<b>\$ 112,428,124</b>	<b>\$ 88,387,055</b>

See notes to financial statements

**The Center for Reproductive Rights, Inc.**

Statement of Activities  
Year Ended June 30, 2023  
(with summarized totals for the year ended June 30, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>PUBLIC SUPPORT, REVENUES AND OTHER SUPPORT</b>				
Foundation grants	\$ 5,555,347	\$ 8,113,394	\$ 13,668,741	\$ 16,204,516
Contributions	22,471,100	3,566,900	26,038,000	37,881,118
Bequests	7,843,892	-	7,843,892	1,714,965
Foreign governments and international organization grants	426,023	492,511	918,534	1,097,643
Awards	2,369,041	-	2,369,041	1,830,987
Donated services	24,615,786	-	24,615,786	31,431,335
Special events, net of direct costs of \$774,515 and \$274,625	4,428,049	150,000	4,578,049	3,960,563
Other income	920	-	920	21,843
Net assets released from restrictions	<u>18,887,933</u>	<u>(18,887,933)</u>	<u>-</u>	<u>-</u>
Total Public Support, Revenues and Other Support	<u>86,598,091</u>	<u>(6,565,128)</u>	<u>80,032,963</u>	<u>94,142,970</u>
<b>EXPENSES</b>				
Program Services:				
Programs	48,185,998	-	48,185,998	52,264,454
Government and external affairs	7,795,341	-	7,795,341	-
Communications	4,062,221	-	4,062,221	4,422,546
Total Program Services	<u>60,043,560</u>	<u>-</u>	<u>60,043,560</u>	<u>56,687,000</u>
Supporting Services:				
Management and general	8,483,048	-	8,483,048	9,379,558
Fundraising	6,410,732	-	6,410,732	6,718,095
Total Supporting Services	<u>14,893,780</u>	<u>-</u>	<u>14,893,780</u>	<u>16,097,653</u>
Total Expenses	<u>74,937,340</u>	<u>-</u>	<u>74,937,340</u>	<u>72,784,653</u>
Change in Net Assets Before Non-Operating Activity	11,660,751	(6,565,128)	5,095,623	21,358,317
<b>NON-OPERATING ACTIVITY</b>				
Loss on foreign currency exchange	(49,860)	-	(49,860)	(88,375)
Investment return	<u>1,320,578</u>	<u>-</u>	<u>1,320,578</u>	<u>(2,876,023)</u>
Change in Net Assets	12,931,469	(6,565,128)	6,366,341	18,393,919
<b>NET ASSETS</b>				
Beginning of year	<u>49,483,094</u>	<u>31,277,831</u>	<u>80,760,925</u>	<u>62,367,006</u>
End of year	<u>\$ 62,414,563</u>	<u>\$ 24,712,703</u>	<u>\$ 87,127,266</u>	<u>\$ 80,760,925</u>

See notes to financial statements

**The Center for Reproductive Rights, Inc.**

**Statement of Functional Expenses**  
**Year Ended June 30, 2023**  
(with summarized totals for the year ended June 30, 2022)

	2023								2023 Total Expenses	2022 Total Expenses
	Program Services				Supporting Services					
	Programs	Government and External Affairs	Communications	Total Program Services	Management and General	Fundraising	Direct Costs of Special Events	Total Supporting Services		
Salaries	\$ 15,207,755	\$ 3,260,797	\$ 2,031,604	\$ 20,500,156	\$ 2,013,657	\$ 3,075,631	\$ -	\$ 5,089,288	\$ 25,589,444	\$ 21,768,021
Payroll taxes and employee benefits	3,371,760	748,992	543,796	4,664,548	1,131,969	955,959	-	2,087,928	6,752,476	6,423,070
Total Salaries and Related Expenses	18,579,515	4,009,789	2,575,400	25,164,704	3,145,626	4,031,590	-	7,177,216	32,341,920	28,191,091
Professional fees	1,813,272	1,843,325	1,098,980	4,755,577	1,950,403	673,474	-	2,623,877	7,379,454	5,853,165
Printing and publications	145,461	4,302	426	150,189	5,610	205,177	-	210,787	360,976	475,428
Dues, fees, and subscriptions	337,687	38,790	17,470	393,947	123,272	231,398	-	354,670	748,617	733,943
Travel	1,438,955	298,842	45,937	1,783,734	157,445	206,012	-	363,457	2,147,191	582,800
Hall, catering, and entertainment	-	-	-	-	-	-	774,515	774,515	774,515	274,625
Direct mail	12,827	-	1,050	13,877	2,850	462,554	-	465,404	479,281	201,007
Equipment and maintenance	223,926	37,386	21,836	283,148	70,083	25,831	-	95,914	379,062	271,526
Telecommunications	94,624	14,729	6,946	116,299	8,021	13,055	-	21,076	137,375	212,798
Office supplies	353,220	105,854	110,758	569,832	242,273	277,221	-	519,494	1,089,326	642,134
Insurance	204,901	43,244	13,585	261,730	54,460	21,163	-	75,623	337,353	272,403
Occupancy	1,626,419	257,499	161,195	2,045,113	192,994	246,770	-	439,764	2,484,877	2,314,098
Grants	1,831,370	193,682	25	2,025,077	180	-	-	180	2,025,257	1,158,546
Miscellaneous	174,160	5,209	2	179,371	46,557	3,240	-	49,797	229,168	181,049
Total Expenses, before Donated Services, Direct Cost of Special Events, and Depreciation and Amortization	26,836,337	6,852,651	4,053,610	37,742,598	5,999,774	6,397,485	774,515	13,171,774	50,914,372	41,364,613
Donated services	21,213,777	928,891	-	22,142,668	2,473,118	-	-	2,473,118	24,615,786	31,431,335
Direct costs of special events	-	-	-	-	-	-	(774,515)	(774,515)	(774,515)	(274,625)
Depreciation and amortization	135,884	13,799	8,611	158,294	10,156	13,247	-	23,403	181,697	263,330
Total Expenses	\$ 48,185,998	\$ 7,795,341	\$ 4,062,221	\$ 60,043,560	\$ 8,483,048	\$ 6,410,732	\$ -	\$ 14,893,780	\$ 74,937,340	\$ 72,784,653

See notes to financial statements

**The Center for Reproductive Rights, Inc.**

Statement of Cash Flows  
Year Ended June 30, 2023  
(with comparative amounts for the year ended June 30, 2022)

	June 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 6,366,341	\$ 18,393,919
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	181,697	263,330
Donated securities	(5,738,809)	(8,648,763)
Proceeds from donated securities	11,185,025	3,395,594
Net realized and unrealized (gain) loss on investments	(466,656)	3,413,538
Deferred rent payable	-	(111,544)
Amortization of right of use asset	1,350,357	-
Changes in operating assets and liabilities:		
Grants and contributions receivable	4,700,615	(2,552,913)
Prepaid expenses and other assets	(804,261)	29,526
Accounts payable and accrued expenses	(3,508,334)	3,951,719
Accrued salaries and related benefits	101,952	16,502
Deferred revenue	90,324	-
Payments on lease liability	(1,286,017)	-
Net Cash from Operating Activities	12,172,234	18,150,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(128,770)	(164,170)
Purchases of investments	(14,558,511)	(15,101,251)
Proceeds from sales of investments	81,327	3,133,631
Net Cash from Investing Activities	(14,605,954)	(12,131,790)
Net Change in Cash and Cash Equivalents	(2,433,720)	6,019,118
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	33,314,429	27,295,311
End of year	\$ 30,880,709	\$ 33,314,429

See notes to financial statements



# The Center for Reproductive Rights, Inc.

Notes to Financial statements

June 30, 2023

## 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 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 person 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 person can make these decisions free from coercion or discrimination.

Founded in 1992, the Center is the only global legal advocacy organization dedicated to advancing reproductive rights as fundamental human rights. The Center’s game changing litigation and advocacy work, combined with its unparalleled expertise in the use of constitutional, international, and comparative human rights law, have transformed how reproductive rights are understood by courts, governments, and human rights bodies.

The Center has played a key role in securing legal victories in the U.S., Latin America, Sub-Saharan Africa, Asia, and Eastern Europe on issues including access to life-saving obstetrics care, contraception, safe abortion services, and comprehensive sexuality information, as well as the prevention of forced sterilization, child marriage, and female genital mutilation. The Center has brought groundbreaking cases before national courts, U.N. Committees, and regional human rights bodies, and built the legal capacity of women’s rights advocates in more than 65 countries and established legal networks around the world.

## 2. Summary of Significant Accounting Policies

### ***Basis of Presentation***

The financial statements of the Center have been prepared using the accrual basis of accounting 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.

### ***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 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. Accordingly, actual results could differ from those estimates.

## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Change in Accounting Policy***

##### *Leases*

The Center adopted Financial Accounting Standards Board (“FASB”) Topic 842, Leases, using the effective date method with July 1, 2022, as the date of initial adoption. In adopting Topic 842, the Center elected to use the modified retrospective transition method, which applies the provisions of the standard at the effective date without any adjustment to the comparative periods presented. The Center adopted the following practical expedients and elected the following accounting policies related to this standard: Carry forward of historical lease classifications and accounting treatment. Accordingly, the Center will recognize lease payments on a straight-line basis over the lease term and variable payments in the period when the corresponding obligation is incurred.

As a result of the adoption of the new lease accounting guidance, on July 1, 2022, the Center recognized a lease liability of \$22,620,152, that represents the present value of the remaining operating lease payments of \$29,910,972, discounted using the normalized risk-free interest rate of 3.24% and a right-of-use asset of \$22,276,803. As part of the adoption of Topic 842, the prior year deferred rent balance of \$350,265 was captured within the right-of-use asset balance at the adoption date.

Adoption of the standard had a material impact on the Center’s statement of financial position but did not have an impact on its statements of activities and cash flows. The most significant impact was the recognition of the right-of-use asset and lease liability for operating leases.

#### ***Reclassifications***

Certain amounts in the June 30, 2022 financial statements have been reclassified to conform to the June 30, 2023 presentation.

#### ***Cash and Cash Equivalents***

The Center considers all highly liquid investments with a maturity of 90 days or less at the time of purchase to be cash equivalents, except for cash and money market funds contained in the Center’s investment portfolio.

#### ***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 for the Center’s statement of activities as a foreign currency exchange gain or loss. For the years ended June 30, 2023 and 2022, the Center recognized a foreign currency exchange loss of \$49,860 and \$88,375.

## **The Center for Reproductive Rights, Inc.**

Notes to Financial statements

June 30, 2023

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Fair Value Measurements***

The Center follows U.S. GAAP guidance for fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Investments and Investment Income***

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the change in net assets.

#### ***Grants and Contributions Receivable***

Unconditional promises to give are recorded as income when the Center is formerly 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 to 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, 2023 and 2022, the Center had recorded \$11,730 and \$8,585 of discount on contributions 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 amounts 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, 2023 and 2022, the Center had an allowance for doubtful accounts of \$0.

#### ***Net Asset Presentation***

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

*Without donor restrictions* – consist of resources available for the general support of the Center's operations. Net assets without donor restrictions may be used at the discretion of the Center's management and Board of Directors.

## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Net Asset Presentation (continued)***

*With donor restrictions* – represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Center to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Income and gains earned on endowment fund investments are available to be used in the “without donor restrictions” or “with donor restrictions” net asset classes based upon stipulations by the donors.

#### ***Revenue Recognition***

Contributions, which include pledges, are recognized as revenues in the period promised. The Center considers all contributions available for general use, unless specifically restricted by the donor or due in future periods, in which case they are recorded as donor 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 reimbursement 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.

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.

#### ***Fixed Assets***

Fixed assets are recorded at cost if purchased or, if donated, at fair value at the date of the gift, less accumulated depreciation. The Center capitalizes all purchases of fixed assets greater than, or equal to, \$5,000 and a useful life of greater than one year. Depreciation is computed using the straight-line basis over the estimate useful lives of the assets, which range from 3 to 15 years. Leasehold improvements are amortized over the lesser of the life of the lease or their useful lives.

Construction in progress is stated at cost, which includes the cost of construction and other costs attributable to the construction. No provision for depreciation is made on construction in progress until it is transferred into service.

## **The Center for Reproductive Rights, Inc.**

Notes to Financial statements  
June 30, 2023

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Fixed Assets (continued)***

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If the carrying amount of the long-lived asset (or asset group) exceeds its fair value and the carrying amount is not recoverable, an impairment loss is recognized. An impairment loss is measured as the amount by which the long-lived asset (or asset group) exceeds its fair value. Fair value is determined through various valuation techniques including undiscounted cash flows models, quoted fair values and third-party independent appraisals, as considered necessary. There is no such impairment for the fiscal years ended June 30, 2023 and 2022.

#### ***Donated Services***

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

All donated services for the years ended June 30, 2023 and 2022 consist of legal professional fees utilized for program and management and general activities without donor restrictions and are valued at the estimated fair value based on current rates for similar services.

#### ***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.

#### ***Functional Expense Allocation***

Expenses are summarized and categorized based upon their functional classification as either program services, management and general, or fundraising. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Expenses are allocated to functional categories based on estimates of time and effort. The allocated expenses include salaries, payroll taxes and employee benefits, occupancy, office supplies, insurance, telecommunications, equipment and maintenance, and depreciation.

#### ***Summarized Comparative Information***

The statements of activities and functional expenses include certain prior year summarized comparative information in total but not by net asset class or functional 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 as of and for the year ended June 30, 2022 from which the summarized information was derived.

## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Accounting for Uncertainty in Income Taxes***

The Center recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Center had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Center is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2020.

#### ***Operating Measure***

The Center has elected to present an operating measure in its statement of activities. Accordingly, items affecting operations are segmented from those not affecting operations. The Center includes in its measure of operations all revenue and expenses that are an integral part of its program and supporting activities. Changes in net assets which are excluded from the operating measure include losses on foreign currency translation and investment return.

#### ***Leases***

As of July 1, 2022, the Center leases office space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets ("ROU assets") and operating lease liabilities on the accompanying statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit borrowing rate, the Center uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease. When it is reasonably certain that the Center will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for the lease payments is recognized on a straight-line basis of the lease term.

The Center's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is October 27, 2023.

### 3. Concentration of Credit Risk

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of cash and cash equivalent, investments and grants and contributions receivable. At times, cash balances may be in excess of the balance insured by the Federal Deposit Insurance Corporation. At June 30, 2023 and 2022, the Center's cash and cash equivalent balances on deposit exceeded the federal insurance limits by approximately \$30,600,000 and \$33,064,000.

## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 3. Concentration of Credit Risk (continued)

Investment holdings at financial institutions insured by the Securities Investor Protection Corporation (“SIPC”) are insured up to \$500,000 (\$250,000 for cash holdings). At times investment balances may exceed SIPC limits. At June 30, 2023 and 2022 the Center’s uninsured investment holdings totaled approximately \$47,800,000 and \$38,384,000.

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of credit risk.

As of June 30, 2023 and 2022, five funding sources accounted for approximately 61% and 72% of grants and contributions receivable.

### 4. Liquidity and Availability of Financial Assets

The Center’s financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position are as follows:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 30,880,709	\$ 33,314,429
Investments, at fair value	48,382,046	38,884,422
Grants and contributions receivable, net of discount	<u>10,402,977</u>	<u>15,103,592</u>
Total Financial Assets	89,665,732	87,302,443
Less amounts unavailable for general expenditures:		
Donor imposed restrictions	<u>(24,712,703)</u>	<u>(31,277,831)</u>
Financial Assets at Year-End Available to Meet Cash		
Needs for General Expenditures Within One Year	<u>\$ 64,953,029</u>	<u>\$ 56,024,612</u>

As part of its liquidity risk management, the Center maintains a cash balance to ensure it is available as their general expenditures, liabilities, and obligations come due within one year.

### 5. Investments

The following are the major categories of the level 1 investments measured at fair value at June 30:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Cash and money market accounts, at cost	\$ 10,297,790	\$ 5,306,294
Exchange-traded funds (ETF)	52,096	74,455
Mutual funds	11,658,268	10,797,173
Stocks	5,838	50,382
Fixed income	<u>26,368,054</u>	<u>22,656,118</u>
	<u>\$ 48,382,046</u>	<u>\$ 38,884,422</u>

## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 5. Investments (continued)

The Center recognizes transfers between levels in the fair value hierarchy on the date of the event or change in circumstances that cause the transfer. There were no transfers between levels for the years ended June 30, 2023 and 2022.

### 6. Grants and Contributions Receivable

The Center's grants and contributions receivable consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Grants and contributions receivable		
Individuals	\$ 5,963,028	\$ 6,809,153
Foundations	4,315,179	8,213,302
Gala	136,500	89,722
	<u>\$ 10,414,707</u>	<u>\$ 15,112,177</u>

The Center's grants and contributions receivable are due as follows at June 30:

	<u>2023</u>	<u>2022</u>
Due within		
Less than one year	\$ 7,519,707	\$ 10,437,177
One to five years	2,895,000	4,675,000
	<u>10,414,707</u>	<u>15,112,177</u>
Discount to present value	<u>(11,730)</u>	<u>(8,585)</u>
	<u>\$ 10,402,977</u>	<u>\$ 15,103,592</u>

The contributions to be received after one year are discounted to fair value using rates ranging from 0.47% to 0.66% for the years ended June 30, 2023 and 2022. 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 time that the contributions are to be paid over.

### 7. Fixed Assets

Fixed assets consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Leasehold improvements (includes construction in progress)	\$ 852,829	\$ 826,106
Furniture and fixtures	241,603	1,306,500
Office equipment	170,311	580,352
	<u>1,264,743</u>	<u>2,712,958</u>
Accumulated depreciation and amortization	<u>(795,347)</u>	<u>(2,190,635)</u>
	<u>\$ 469,396</u>	<u>\$ 522,323</u>

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$181,697 and \$263,330. During 2023, the Center wrote off \$1,576,985 of fully depreciated fixed assets that were no longer in use.



## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 8. 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 for \$1,397,781 and \$1,320,216 for the years ended June 30, 2023 and 2022.

### 9. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
U.S. Program	\$ 10,742,779	\$ 15,194,094
Global Legal Program	5,779,129	5,025,785
Time restricted general support	7,186,675	10,053,832
Endowment Fund	1,004,120	1,004,120
	<u>\$ 24,712,703</u>	<u>\$ 31,277,831</u>

During the years ended June 30, 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:

	<u>2023</u>	<u>2022</u>
U.S. Program	\$ 10,838,922	\$ 3,538,662
Global Legal Program	3,921,667	1,433,394
Time restricted general support	4,127,344	5,110,109
	<u>\$ 18,887,933</u>	<u>\$ 10,082,165</u>

### 10. Commitments and Contingencies

#### *Operating Leases*

The Center has a lease arrangement for an office facility in New York City that commenced in January 2015 and was amended in June 2023, extending the term to May 2040. In addition to the base rent, the lease required the Center to pay a proportionate share of the building's base operating expenses and base real estate taxes which amounted to \$90,856 and \$79,438 for the years ended June 30, 2023 and 2022.

The Center also has lease arrangements for office facilities in:

Geneva, Switzerland, which was originally entered into in December 2018, and then extended in April 2023 through March 2028.

Washington DC, which was originally entered into in December 2010, and amended in May 2013, July 2013, and March 2019, extending the term to through November 2024.

Nairobi, Kenya, which runs from November 2021 through October 2027.

Rent expense under the operating leases was \$2,075,550 and \$2,173,436 for the years ended June 30, 2023 and 2022 and is included within occupancy in the statement of functional expenses.

## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 10. Commitments and Contingencies (*continued*)

#### *Operating Leases (continued)*

ROU asset and corresponding liability associated with future lease payments on the above leases as of June 30, 2023 are shown below:

Right-of-use asset	\$ 20,926,446
Lease liability	\$ 21,341,051
Weighted Average:	
Discount rate	3.24%
Remaining lease term in years	17.00

ROU asset is net of \$1,350,357 accumulated amortization at June 30, 2023.

Future minimum rental payments under the lease arrangement are as follows:

Year	Amount
2024	\$ 1,350,070
2025	1,779,908
2026	1,653,460
2027	1,658,194
2028	1,573,984
Thereafter	<u>19,902,235</u>
Total Future Minimum Lease Payments	27,917,851
Less Imputed Interest	<u>(6,576,800)</u>
Total Operating Lease Liability	<u>\$ 21,341,051</u>

Supplemental cash flow information related to operating leases was as follow for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of operating lease liabilities	\$ 1,993,121
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### 11. Foreign Governments and International Organization Grants

In May 2022, the Center signed an Implementing Partner Agreement with the United Nations Population Fund. In December 2022, there were two additional modifications made for the grant. In the year ended June 30, 2023, the Center recognized \$400,000 of revenue for this grant in support of sexual and reproductive healthcare of women and girls fleeing the war in Ukraine. In September 2021, the Center signed a Partnership Agreement for a reimbursable grant with Care Canada. The project aims to support sexual and reproductive health and economic empowerment, supporting out of school adolescent girls' rights and skills. In the year ended June 30, 2023, \$426,023 was recognized for this grant. In March 2022, the Center was a recipient of a Subgrant from the Swedish International Development Agency through Fos Feminista. In the year ended June 30, 2023, the Center recognized \$92,511 of revenue for this subgrant.

## **The Center for Reproductive Rights, Inc.**

Notes to Financial statements

June 30, 2023

### **12. 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 support 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 U.S. GAAP, 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 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 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 of 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 \$1,520,921, 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 approved a distribution in June 2023.

#### ***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 fund of \$1,520,921 as of June 30, 2023.

## The Center for Reproductive Rights, Inc.

Notes to Financial statements  
June 30, 2023

### 12. Endowment Funds (continued)

#### *Changes in Endowment Net Assets*

Changes in endowment net assets with donor restrictions were as follows for the years ended June 30:

	2023	2022
	Net Assets	Net Assets
	With Donor Restrictions	With Donor Restrictions
Endowment assets, beginning of year	\$ 1,468,259	\$ 1,794,159
Appropriation for expenditure	(81,327)	(85,594)
Interest and dividends	40,070	56,757
Unrealized gain (loss)	93,919	(297,721)
Realized gain	-	673
Investment fees	-	(15)
Endowment Assets, End of Year	<u>\$ 1,520,921</u>	<u>\$ 1,468,259</u>

### 13. Risks and Uncertainties

The Center's operations and financial performance has been, and may continue to be, affected by global and domestic economic uncertainty which has adversely affected economic conditions throughout the world. The Center may experience a decline in revenue activities as a result of the economic uncertainty.

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