



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

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

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

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JUNE 30, 2019**

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Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the American Association of University Women, Inc. (AAUW), and AAUW Action Fund, Inc. (the Action Fund), (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Emphasis of Matter

As discussed in Note 2 of the consolidated financial statements, the Organization adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2018, consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the consolidated financial statements from which it has been derived.

Councilor, Buchanan + Mitchell, P.C.

Washington, D.C.
December 5, 2019

Certified Public Accountants

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
Assets		
Cash and Cash Equivalents	\$ 1,883,587	\$ 1,997,507
Contributions and Grants Receivable	7,955,274	582,238
Other Receivables	211,222	119,389
Prepaid Expenses	356,934	197,388
Property and Equipment, Net	4,787,378	5,242,028
Investments	122,300,159	125,382,903
Total Assets	\$ 137,494,554	\$ 133,521,453
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 990,550	\$ 1,077,188
Committed Awards and Grants Payable	4,138,436	3,824,431
Deferred Revenue	1,764,601	1,568,239
Deferred Rent and Lease Incentive	7,164,090	7,213,448
Pooled Income Funds	-	4,678
Charitable Gift Annuities	394,781	419,491
Other Liabilities	60,169	178,807
Total Liabilities	14,512,627	14,286,282
Net Assets		
Without Donor Restrictions	3,798,789	8,870,456
With Donor Restrictions		
Purpose Restricted	45,722,371	37,188,694
Endowment Funds	73,460,767	73,176,021
Total With Donor Restrictions	119,183,138	110,364,715
Total Net Assets	122,981,927	119,235,171
Total Liabilities and Net Assets	\$ 137,494,554	\$ 133,521,453

See accompanying Notes to Consolidated Financial Statements.

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

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2018)**

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Revenue and Support				
Contributions and Grants	\$ 3,716,514	\$ 9,057,958	\$ 12,774,472	\$ 4,399,159
Investment Return, Net	(143,912)	6,122,403	5,978,491	8,831,347
Rental Income	376,559	-	376,559	308,387
Dues Income	3,023,668	-	3,023,668	2,921,872
Change in Value of Split- Interest Agreements	(36,021)	-	(36,021)	(50,228)
Conference Revenue	475,644	-	475,644	429,165
Other Income	204,480	-	204,480	336,840
Net Assets Released from Restrictions	6,361,938	(6,361,938)	-	-
Total Revenue and Support	13,978,870	8,818,423	22,797,293	17,176,542
Expenses				
Program Services	13,105,009	-	13,105,009	14,018,965
Supporting Services				
Management and General	3,698,873	-	3,698,873	3,217,147
Development and Fundraising	2,246,655	-	2,246,655	2,173,654
Total Expenses	19,050,537	-	19,050,537	19,409,766
Change in Net Assets	(5,071,667)	8,818,423	3,746,756	(2,233,224)
Net Assets, Beginning of Year	8,870,456	110,364,715	119,235,171	121,468,395
Net Assets, End of Year	\$ 3,798,789	\$ 119,183,138	\$ 122,981,927	\$ 119,235,171

See accompanying Notes to Consolidated Financial Statements.

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	Total Program Services	Supporting Services		Total Expenses
		Management and General	Development and Fundraising	
Expenses				
Salaries, Benefits, and Taxes	\$ 5,282,432	\$ 1,664,337	\$ 1,273,629	\$ 8,220,398
Professional Fees	647,397	346,887	165,357	1,159,641
Advertising and Promotion	107,620	-	150	107,770
Office Expenses	481,536	80,453	413,423	975,412
Information Technology	336,818	146,504	46,445	529,767
Occupancy	1,105,962	1,019,920	251,011	2,376,893
Travel	76,207	44,646	31,828	152,681
Conferences and Meetings	425,101	21,765	5,427	452,293
Other Expenses	7,980	74,895	6,914	89,789
Depreciation and Amortization	219,393	220,807	47,786	487,986
General Insurance	18,689	69,342	1,081	89,112
Grants and Contributions	4,363,083	-	-	4,363,083
Dues, Subscriptions, and Publications	32,791	9,317	3,604	45,712
Total Expenses	\$ 13,105,009	\$ 3,698,873	\$ 2,246,655	\$ 19,050,537

See accompanying Notes to Consolidated Financial Statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2018)**

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 3,746,756	\$ (2,233,224)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation and Amortization	487,986	500,455
Loss on Disposals of Property and Equipment	6,032	-
Realized and Unrealized Gain on Investments	(3,008,559)	(6,804,600)
Contributions Restricted for Long-Term Purposes	(284,746)	(287,807)
<u>(Increase) Decrease in Assets</u>		
Contributions and Grants Receivable	(7,373,036)	(393,955)
Other Receivables	(91,833)	(51,331)
Prepaid Expenses	(159,546)	81,112
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(86,638)	(669,701)
Committed Awards and Grants Payable	314,005	19,107
Deferred Revenue	196,362	98,968
Deferred Rent and Lease Incentive	(49,358)	581,531
Pooled Income Funds	(3,629)	(177,523)
Charitable Gift Annuities	35,323	45,936
Other Liabilities	(118,638)	(1,300,518)
Net Cash Used in Operating Activities	<u>(6,389,519)</u>	<u>(10,591,550)</u>
Cash Flows from Investing Activities		
Purchases of Investments	(41,496,882)	(128,030,157)
Proceeds from the Sale of Investments	47,588,189	139,088,218
Purchases and Donation of Property and Equipment	<u>(39,372)</u>	<u>(50,468)</u>
Net Cash Provided by Investing Activities	6,051,935	11,007,593
Cash Flows from Financing Activities		
Investment in Perpetual Endowments	284,746	287,807
Payments to Beneficiaries from Split-Interest Agreements	<u>(61,082)</u>	<u>(71,597)</u>
Net Cash Provided by Financing Activities	<u>223,664</u>	<u>216,210</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(113,920)	632,253
Cash and Cash Equivalents, Beginning of Year	<u>1,997,507</u>	<u>1,365,254</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,883,587</u>	<u>\$ 1,997,507</u>

See accompanying Notes to Consolidated Financial Statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

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

The major programs of AAUW consist of the following:

Membership - Expenditures are used to assist state and local AAUW branches with member recruitment and retention, gender equity related programs such as pay equity public education initiatives and training programs, as well as education initiatives and leadership programs targeted for women and girls.

Research and Project Grants - Research and project grants exist to help advance equity for women and girls; protect them from discrimination and abuse; promote educational and workplace opportunity and achievement; advocate for public policies that benefit them and their families; and, break through barriers that prevent them from attaining their personal goals and full potential.

Research - AAUW creates widely disseminated research reports and updates, including: *The Simple Truth*: analyzes the gender pay gap; *Deeper in Debt*: addresses the fact that student loan debt disproportionately affects women; and, *Broken Ladders*: describes barriers to women's representation in nonprofit leadership.

Leadership and Salary Negotiation Programs - AAUW also provides direct services through leadership and salary negotiation programs, including flagship Work Smart and Start Smart.

American Fellowships - are awarded to women who are U.S. citizens or permanent residents pursuing full-time study to complete dissertations, to conduct postdoctoral research full time, or to prepare research for publication. Selected Professional Fellowships are awarded to women pursuing full-time study in a master's or professional degree program in which women are underrepresented, including STEM, law, business, and medicine.

Community Action Grants - are awarded to individuals, AAUW branches and states, and nonprofit organizations to fund innovative programs or nondegree research projects that promote education and equity for women and girls.

Career Development Grants - are awarded to women pursuing a certificate or degree to advance their careers, change careers, or reenter the workforce and whose bachelor's degree was received at least five years before the award period.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

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

Organization (Continued)

Advocacy - Includes AAUW's policy programs including civic engagement and other activities to connect, educate, and rally members, supporters and advocates to advance its mission to empower women and girls at the national and state levels.

Legal Advocacy Fund (LAF) - LAF combats sex and gender discrimination through financial case support for legal cases in higher education and the workplace, development and publication of "know your rights" material regarding employment and other forms of discrimination; an amicus curiae program; and other public education and legal resources.

International Fellowships - are awarded to women pursuing full-time graduate or postdoctoral study in the United States who are not U.S. citizens or permanent residents.

International Project Grants - are awarded to alumnae of AAUW's International Fellowships program who are living in their home countries and pursuing community-based projects to improve the social advancement and economic empowerment of women and girls.

Communications and External Relations - Includes all activities related to serving, engaging, and communicating with members and the general public.

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

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

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

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

Principles of Consolidation

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

Basis of Accounting

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

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

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value. The valuation of the investments is based upon quotations obtained from national securities exchanges; where securities are not listed on an exchange, quotations are obtained from other published sources. The alternative investments are reported at fair value based on net asset per share information provided by the manager of the fund.

In 2015, Accounting Standards Update (ASU) 2015-07 was issued by the Financial Accounting Standards Board. ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, removed the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 became effective for plan years beginning after December 15, 2016. The Organization implemented this standard during the year ended June 30, 2018.

Property and Equipment

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

Use of Estimates

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

Income Taxes

AAUW is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (the Code) and is classified as other than a private foundation within the meaning of Section 509(a)(1) of the Code. However, AAUW is subject to tax on net income received from activities unrelated to its exempt purpose. Due to the 2017 Tax Cuts and Jobs Act, AAUW is also subject to taxation on commuter benefits provided to employees. For the years ended June 30, 2019 and 2018, AAUW paid tax of approximately \$32,000 and \$34,000, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

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

Income Taxes (Continued)

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

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

AAUW and the Action Fund’s IRS Forms 990, *Return of Organization Exempt from Income Tax*, and IRS Forms 990-T, *Exempt Organization Business Income Tax Return*, and related state filings are subject to examination by federal and state taxing authorities, generally for three years after filing.

Split-Interest Agreements

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

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

Pooled Income Fund: A pooled income fund was formed by AAUW to invest and manage certain donor contributions. The fund is divided into units and contributions of many donors’ gifts are pooled and invested as a group. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor’s entry into the pooled fund. Donors contribute assets to AAUW in exchange for a promise by AAUW to pay the donors, or their designated beneficiaries, the specified income generated from the donors’ contributed assets. During the year ended June 30, 2019, the pooled income fund was eliminated.

Functional Allocation of Expenses

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

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

Net Assets

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

For financial statement purposes, net assets are as follows:

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

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

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

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

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

Net Assets (Continued)

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

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

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

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

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

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

Contributions and Grants

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

Contributions and Grants Receivable

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

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

Donated Services

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

Prior Year Summarized Information

The consolidated financial statements include certain prior year summarized comparative totals as of and for the year ended June 30, 2018. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Deferred Revenue

Deferred revenue consists primarily of membership dues received in advance of the period in which they are to be earned. Regular membership dues are recognized in the year to which they apply. Life membership dues are recognized evenly over 20 years.

Reclassifications

Certain 2018 amounts have been reclassified for comparative purposes.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATE 2016-14

For the year ended June 30, 2019, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification and provides information about liquidity and availability of resources. The changes required by the update have been applied retrospectively to all periods presented. A key change under ASU 2016-14 is the terminology of net asset classes used in these consolidated financial statements. Amounts previously reported as temporarily restricted and permanently net assets, if applicable, are now reported as net assets with donor restrictions. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions. Additionally, ASU 2016-14 requires a presentation of expenses on a functional basis.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019**

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

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

Financial Assets

Cash and Cash Equivalents	\$ 1,883,587
Contribution Receivable Restricted for STEM	7,000,000
Contributions and Grant Receivable, Other	955,274
Investments	122,300,159
Other Receivables	211,222
Less Amounts with Donor Restriction for Purpose - STEM	(7,000,000)
Less Amounts with Donor Restriction for Purpose	(38,722,371)
Less Endowment Funds Held in Perpetuity	<u>(73,460,767)</u>
Total Financial Assets Available for General Operations	<u><u>\$ 13,167,104</u></u>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2019 and 2018:

	2019	2018
Leasehold Improvements	\$ 4,266,594	\$ 4,266,594
Furniture and Equipment	930,530	930,530
Computer Equipment and Software	1,111,672	1,191,267
Copyright	125,000	125,000
Work in Process	13,607	-
Telephone Equipment	<u>22,441</u>	<u>22,441</u>
Total	<u>6,469,844</u>	6,535,832
Less Accumulated Depreciation and Amortization	<u>(1,682,466)</u>	<u>(1,293,804)</u>
Property and Equipment, Net	<u><u>\$ 4,787,378</u></u>	<u><u>\$ 5,242,028</u></u>

5. COMMITTED AWARDS AND GRANTS PAYABLE

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

Committed awards and grants payable consisted of the following as of June 30, 2019 and 2018:

	2019	2018
American Fellowships	\$ 1,849,104	\$ 1,838,000
International Fellowships	1,094,000	1,006,000
Research and Projects	919,751	850,600
Home Country Projects	32,748	20,906
NYC Metropolitan Area Fund	181,963	80,000
Prior Year Amounts Held	<u>60,870</u>	<u>28,925</u>
Total Committed Awards and Grants Payable	<u><u>\$ 4,138,436</u></u>	<u><u>\$ 3,824,431</u></u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

6. LEASE AGREEMENTS

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

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

AAUW entered into non-cancelable sublease agreements for office space. The sublease agreements expire on various dates through May 2023.

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

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

For the Years Ending June 30,

2020	\$ 2,442,963
2021	2,478,002
2022	2,571,573
2023	2,635,745
2024	2,701,802
Thereafter	<u>24,156,186</u>
Subtotal Minimum Future Lease Rentals	36,986,271
Less Sublease Rental Income	<u>(1,199,233)</u>
Future Minimum Rental Payments, Net	<u>\$ 35,787,038</u>

For the years ended June 30, 2019 and 2018, rent expense was approximately \$2,307,000. Rental income under the subleases was approximately \$377,000 and \$308,000 for the years ended June 30, 2019 and 2018, respectively.

7. SPLIT-INTEREST AGREEMENTS

Pooled Income Fund

AAUW manages a pooled income fund in which it shares beneficial interest with donors. As of June 30, 2018, the fair market value of the pooled income fund was approximately \$101,000. As of June 30, 2019, the primary beneficiary of the fund became deceased and the fund was closed.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

7. SPLIT-INTEREST AGREEMENTS (CONTINUED)

Gift Annuities

As of June 30, 2019 and 2018, the total assets of the gift annuity funds, at fair market value, were approximately \$544,000 and \$547,000, respectively. As of June 30, 2019 and 2018, the actuarial present value of AAUW's interest in such funds was approximately \$149,000 and \$127,000, respectively, and was computed using interest rates ranging from 1.2% to 8.2%.

8. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019**

8. FAIR VALUE MEASUREMENTS (CONTINUED)

The following presents the Organization's assets and liabilities measured at fair value as of June 30, 2018:

Description	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 3,786,309	\$ -	\$ -	\$ 3,786,309
Government Bonds	138,681	-	-	138,681
Mineral Rights	-	-	153,975	153,975
Mutual Funds				
Equity	7,803,004	-	-	7,803,004
Fixed Income	2,332,103	-	-	2,332,103
International Equities	13,231,413	-	-	13,231,413
Large Blended Trust	17,430,655	-	-	17,430,655
Large Value (Fixed Income)	9,091,154	-	-	9,091,154
Long-Term Total Return (Fixed Income)	20,877,567	-	-	20,877,567
Real Estate	5,176,483	-	-	5,176,483
U.S. Large Cap Equity	17,320,261	-	-	17,320,261
U.S. Small Cap Equity	13,192,929	-	-	13,192,929
Total Assets at Fair Value	<u>\$ 110,380,559</u>	<u>\$ -</u>	<u>\$ 153,975</u>	110,534,534
Alternative Investments Measured at Net Asset Value *				<u>14,848,369</u>
Total Investments				<u>\$ 125,382,903</u>
Pooled Income Funds	\$ -	\$ -	\$ 4,678	\$ 4,678
Charitable Gift Annuities	-	-	419,491	419,491
Total Liabilities at Fair Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,169</u>	<u>\$ 424,169</u>

* In accordance with Accounting Standards Codification, investments that are measured at net asset per share (or its equivalent) have not been classified in the fair value hierarchy.

The Organization's alternative investments are valued based on information provided by the fund managers which include net asset value (NAV) per share. The alternative investments consist of commitments in a limited partnership that invests in private companies or properties and may be subject to redemption restrictions.

The following is a summary of changes in the fair value of the Organization's Level 3 assets for the years ended June 30, 2019 and 2018:

Description	2019	2018
Balance, Beginning of Year	\$ 153,975	\$ 137,368
Change in Unrealized Gain (Loss)	<u>(20,870)</u>	<u>16,607</u>
Balance, End of Year	<u>\$ 133,105</u>	<u>\$ 153,975</u>
Amount of Total Gain (Loss) for the Period Included in Changes in Net Assets Attributable to the Change in Unrealized Gains (Loss) Relating to Assets Still Held at the Reporting Date	<u>\$ (20,870)</u>	<u>\$ 16,607</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019**

8. FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary of changes in the fair value of the Organization's Level 3 liabilities for the years ended June 30, 2019 and 2018:

Description	2019	2018
Balance, Beginning of Year	\$ 424,169	\$ 627,353
Contributions to Split-Interest Agreements	20,000	-
Distributions from Split-Interest Agreements	(24,327)	(181,815)
Change in Value of Split-Interest Agreements	36,021	50,228
Payments to Beneficiaries from Split-Interest Agreements	(61,082)	(71,597)
Balance, End of Year	<u>\$ 394,781</u>	<u>\$ 424,169</u>

The Organization's Level 3 investments are valued based on information provided by the fund managers. The valuation of mineral rights is calculated from the most recent 12 months' net income from producing interests and includes a nominal value for non-producing properties, as provided by the investment manager.

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

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of June 30, 2019 and 2018:

	2019	2018
American Fellowships	\$ 26,588,761	\$ 25,324,201
STEM Education	7,000,000	-
International Fellowships	5,148,847	5,263,051
NYC Metropolitan Area Fund	5,090,334	5,209,332
Legal Advocacy Fund	803,605	876,624
Split-Interest Agreements	394,781	424,169
Tech Trek	205,662	88,834
StartSmart	149,784	-
STEM Ambassador	290,061	-
WorkSmart Nevada	25,000	-
Mooneen Lecce	24,858	2,433
Tech Savvy	625	-
Undergraduate Scholarships	53	50
Total Net Assets With Donor Restrictions	<u>\$ 45,722,371</u>	<u>\$ 37,188,694</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019**

9. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors for the years ended June 30, 2019 and 2018, as follows:

	<u>2019</u>	<u>2018</u>
Research and Projects	\$ 717,342	\$ 939,905
American Fellowships	2,695,623	2,497,082
Tech Trek	199,761	188,328
International Fellowships	1,331,124	1,221,993
Legal Advocacy Fund	332,020	343,741
STEM Education	-	184,629
Split-Interest Agreements	29,388	409,352
Eleanor Roosevelt Fund	65,559	179,560
Tech Savvy	500	10,625
STEM Ambassador	5,625	-
StartSmart	385,716	100,000
NYC Metropolitan Area Fund	402,751	91,706
NCCWSL	38,646	88,579
Mooneen Lecce	-	38,000
Other Funds	157,883	285,693
Total Net Assets Released from Restrictions	<u>\$ 6,361,938</u>	<u>\$ 6,579,193</u>

10. ENDOWMENT FUNDS

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

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019**

10. ENDOWMENT FUNDS (CONTINUED)

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

The spending policy calculates the amount of earnings annually distributed from AAUW's various endowed funds, for grant-making and administration. During the years ended June 30, 2019 and 2018, AAUW's spending policy was 7% of the average value of the endowment portfolio for the trailing twelve quarters.

Endowment funds as of June 30, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
American Fellowship Endowment	\$ 43,292,965	\$ 43,143,629
International Fellowship Endowment	16,816,074	16,766,234
Research and Projects Endowment	12,198,818	12,113,248
Legal Advocacy Fund	1,120,115	1,120,115
Campus Leadership Fund	32,658	32,658
Mooneen Lecce	137	137
Total Endowment Funds	<u>\$ 73,460,767</u>	<u>\$ 73,176,021</u>

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

	<u>Purpose Restricted</u>	<u>Invested in Perpetuity</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 31,129,056	\$ 73,176,021	\$ 104,305,077
Contributions	339,690	284,746	624,436
Investment Return, Net	5,795,907	-	5,795,907
Amounts Appropriated for Expenditure	(5,078,260)	-	(5,078,260)
Endowment Net Assets, End of Year	<u>\$ 32,186,393</u>	<u>\$ 73,460,767</u>	<u>\$ 105,647,160</u>

Changes in endowment net assets for the year ended June 30, 2018, were as follows:

	<u>Purpose Restricted</u>	<u>Invested in Perpetuity</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 27,923,295	\$ 72,888,214	\$ 100,811,509
Contributions	730,374	287,807	1,018,181
Investment Return, Net	7,521,452	-	7,521,452
Amounts Appropriated for Expenditure	(5,046,065)	-	(5,046,065)
Endowment Net Assets, End of Year	<u>\$ 31,129,056</u>	<u>\$ 73,176,021</u>	<u>\$ 104,305,077</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019**

11. RETIREMENT PLANS

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

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

For the years ended June 30, 2019 and 2018, AAUW's contributions under the above plans amounted to approximately \$499,000 and \$531,000, respectively.

12. CONCENTRATIONS

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

For the year ended June 30, 2019, approximately 55% of contributions and grants revenue was from one donor. As of June 30, 2019, approximately 87% of contributions and grants receivable was due from one donor. As of June 30, 2018, approximately 86% of contributions and grants receivable was due from three donors.

13. RISKS AND UNCERTAINTIES

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

14. EMPLOYMENT AGREEMENT

The Organization entered into an employment agreement (the Agreement) with its Chief Executive Officer (CEO) that provides for annual salary, bonuses, and fringe benefits. The Agreement is effective from June 1, 2017 through May 31, 2020. If the agreement is terminated early by the Organization, the CEO will receive twelve months of full compensation in a lump sum.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019**

15. SUBSEQUENT EVENTS

Subsequent to year end, the Organization has entered into a sublease for a portion of its office lease. The sublease is at a reduced rate from the lease. Therefore, a loss will be recorded in 2020 at the cease use date in the amount of approximately \$1,113,000.

Subsequent events were evaluated through December 5, 2019, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



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Independent Auditors' Report on Supplementary Information

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

We have audited the consolidated financial statements of the American Association of University Women, Inc., and AAUW Action Fund, Inc., as of and for the year ended June 30, 2019, and have issued our report thereon dated December 5, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating detailed statement of financial position, consolidating detailed statement of activities and summary of expenditures charged to the Rothschild Award are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Washington, D.C.
December 5, 2019

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

**CONSOLIDATING DETAILED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

	<u>AAUW, Inc.</u>	<u>AAUW Action Fund</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Assets				
Cash and Cash Equivalents	\$ 1,587,654	\$ 295,933	\$ -	\$ 1,883,587
Contributions and Grants Receivable	8,155,274	-	(200,000)	7,955,274
Other Receivables	208,852	2,370	-	211,222
Prepaid Expenses	356,934	-	-	356,934
Due from AAUW, Inc.	-	172,026	(172,026)	-
Property and Equipment, Net	4,787,378	-	-	4,787,378
Investments	120,773,270	1,526,889	-	122,300,159
Total Assets	<u>\$ 135,869,362</u>	<u>\$ 1,997,218</u>	<u>\$ (372,026)</u>	<u>\$ 137,494,554</u>
Liabilities and Net Assets				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 990,300	\$ 250	\$ -	\$ 990,550
Due to AAUW Action Fund, Inc.	172,026	-	(172,026)	-
Committed Awards and Grants Payable	4,138,436	200,000	(200,000)	4,138,436
Deferred Revenue	1,764,601	-	-	1,764,601
Deferred Rent and Lease Incentive	7,164,090	-	-	7,164,090
Charitable Gift Annuities	394,781	-	-	394,781
Other Liabilities	60,169	-	-	60,169
Total Liabilities	14,684,403	200,250	(372,026)	14,512,627
Net Assets				
Net Assets Without Donor Restrictions	2,001,821	1,796,968	-	3,798,789
Net Assets With Donor Restrictions				
Purpose Restricted	45,722,371	-	-	45,722,371
Endowment Funds	73,460,767	-	-	73,460,767
Total With Donor Restrictions	<u>119,183,138</u>	<u>-</u>	<u>-</u>	<u>119,183,138</u>
Total Net Assets	<u>121,184,959</u>	<u>1,796,968</u>	<u>-</u>	<u>122,981,927</u>
Total Liabilities and Net Assets	<u>\$ 135,869,362</u>	<u>\$ 1,997,218</u>	<u>\$ (372,026)</u>	<u>\$ 137,494,554</u>

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

**CONSOLIDATING DETAILED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>AAUW, Inc.</u>	<u>AAUW Action Fund</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Revenue and Support				
Contributions and Grants	\$ 12,971,605	\$ 2,867	\$ (200,000)	\$ 12,774,472
Investment Return, Net	5,951,130	27,361	-	5,978,491
Rental Income	376,559	-	-	376,559
Dues Income	2,869,673	153,995	-	3,023,668
Change in Value of Split- Interest Agreements	(36,021)	-	-	(36,021)
Conference Revenue	475,644	-	-	475,644
Other Income	204,480	-	-	204,480
Total Revenue and Support	<u>22,813,070</u>	<u>184,223</u>	<u>(200,000)</u>	<u>22,797,293</u>
Expenses				
Program Services	13,004,646	300,363	(200,000)	13,105,009
Supporting Services				
Management and General	3,698,873	-	-	3,698,873
Development and Fundraising	2,240,345	6,310	-	2,246,655
Total Expenses	<u>18,943,864</u>	<u>306,673</u>	<u>(200,000)</u>	<u>19,050,537</u>
Change in Net Assets	3,869,206	(122,450)	-	3,746,756
Net Assets, Beginning of Year	117,315,753	1,919,418	-	119,235,171
Net Assets, End of Year	<u>\$ 121,184,959</u>	<u>\$ 1,796,968</u>	<u>\$ -</u>	<u>\$ 122,981,927</u>

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

**SUMMARY OF EXPENDITURES CHARGED TO THE ROTHSCHILD AWARD
FOR THE YEAR ENDED JUNE 30, 2019**

Amounts Available for Expenditures, Beginning of Year	\$ 33,000
Income Earned*	76,726
Expenditures	
Case Support (At Least 60% Each Year)	41,583
Public Education (No More Than 30% of Net Income)	19,259
Overhead (No More Than 10% of Net Income)	<u>6,760</u>
Total Expenditures	<u>67,602</u>
Amounts Available for Expenditures, End of Year	<u><u>\$ 42,124</u></u>

* Income earned on the Rothschild Award during fiscal year 2018 is to be used in the year ending June 30, 2019 (income is spent in arrears, after the amount is known).

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