EISNERAMPER
ACCOUNTANTS & ADVISORS

LEGAL MOMENTUM

FINANCIAL STATEMENTS

JUNE 30, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Legal Momentum
New York, New York

We have audited the accompanying statements of financial position of Legal Momentum (the "Organization") as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Legal Momentum as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

New York, New York
February 22, 2012

LEGAL MOMENTUM

Statements of Financial Position

	June 30, 2011	June 30, 2010
ASSETS		
Cash and cash equivalents	**$ 1,906,884**	$ 659,513
Investments	**741,073**	692,863
Grants receivable	**1,100,201**	1,919,052
Accounts receivable	**120,893**	2,476
Prepaid expenses and other assets	**73,425**	110,995
Property and equipment, net	**227,022**	309,381
	$ 4,169,498	$ 3,694,280
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 367,953**	$ 494,494
Note payable		177,759
Deferred rent	**302,116**	368,739
	670,069	1,040,992
Commitments and contingency (Note G)		
Net assets:		
Unrestricted	**2,194,828**	600,115
Temporarily restricted	**1,104,601**	1,853,173
Permanently restricted	**200,000**	200,000
	3,499,429	2,653,288
	$ 4,169,498	$ 3,694,280

LEGAL MOMENTUM

Statements of Activities

	Year Ended June 30, 2011				Year Ended June 30, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue:								
Individual donations	$ 443,609	$ 5,000		$ 448,609	$ 515,807	$ 65,000		$ 580,807
Corporations and foundations	218,590	950,000		1,168,590	20,308	288,000		308,308
Government grants		78,987		78,987		2,321,688		2,321,688
Direct mail income	97,360			97,360	93,511			93,511
Bequests	1,332,604			1,332,604	207,167			207,167
Special events (net of direct benefits to donors of $264,893 and $113,745 for 2011 and 2010, respectively)	1,262,122			1,262,122	1,301,456			1,301,456
Net investment income	75,101			75,101	98,923			98,923
Rental income	230,266			230,266	214,353			214,353
Other income	72,833			72,833	211,045			211,045
Donated services	738,061			738,061	1,263,550			1,263,550
Total public support and revenue before net assets released from restriction	4,470,546	1,033,987		5,504,533	3,926,120	2,674,688		6,600,808
Net assets released from restriction:								
Satisfaction of program restrictions	1,782,559	(1,782,559)		0	1,769,242	(1,769,242)		0
Total public support and revenue	6,253,105	(748,572)		5,504,533	5,695,362	905,446		6,600,808
Expenses:								
Program services:								
Gender equity	1,309,525			1,309,525	836,860			836,860
Violence against women	1,283,216			1,283,216	2,575,083			2,575,083
Job and workplace	714,781			714,781	1,110,414			1,110,414
Women and poverty	583,404			583,404	617,812			617,812
Total program services	3,890,926			3,890,926	5,140,169			5,140,169
Supporting services:								
Management and general	360,750			360,750	436,627			436,627
Development	406,716			406,716	723,514			723,514
Total supporting services	767,466			767,466	1,160,141			1,160,141
Total expenses	4,658,392			4,658,392	6,300,310			6,300,310
Change in net assets	1,594,713	(748,572)		846,141	(604,948)	905,446		300,498
Net assets - beginning of year	600,115	1,853,173	$ 200,000	2,653,288	1,205,063	947,727	$ 200,000	2,352,790
Net assets - end of year	$ 2,194,828	$ 1,104,601	$ 200,000	$ 3,499,429	$ 600,115	$ 1,853,173	$ 200,000	$ 2,653,288

See notes to financial statements

LEGAL MOMENTUM

Statement of Functional Expenses
Year Ended June 30, 2011

	Program Services					Supporting Services			
	Gender Equity	Violence Against Women	Job and Workplace	Women and Poverty	Total	Management and General	Development	Total	Total Expenses
Personnel:									
Salaries	$ 327,039	$ 327,969	$ 298,949	$ 150,325	$ 1,104,282	$ 132,470	$ 154,732	$ 287,202	$ 1,391,484
Payroll taxes	31,147	31,208	25,888	13,806	102,049	10,904	14,407	25,311	127,360
Employee benefits	72,258	70,525	66,567	26,205	235,555	31,172	32,839	64,011	299,566
	430,444	429,702	391,404	190,336	1,441,886	174,546	201,978	376,524	1,818,410
Donated services	221,799	221,799	53,626	199,983	697,207	20,427	20,427	40,854	738,061
Occupancy	222,830	222,830	135,991	85,862	667,513	50,129	50,129	100,258	767,771
Conferences, meetings and travel	38,935	38,903	2,229	2,261	82,328	272	698	970	83,298
Insurance	4,594	4,594	4,020	2,107	15,315	1,914	1,914	3,828	19,143
Consultants and subcontractors	268,436	268,436	57,132	54,700	648,704	79,199	57,455	136,654	785,358
Accountants and professional fees	9,600	9,600	8,400	4,400	32,000	4,373	4,000	8,373	40,373
Publications, subscriptions, memberships	3,835	3,835	2,974	942	11,586	447	532	979	12,565
Office supplies and equipment	44,397	18,862	10,952	7,827	82,038	4,070	7,643	11,713	93,751
Telephone and mail	14,668	14,668	6,506	5,062	40,904	1,895	5,332	7,227	48,131
Printing and reproduction	8,046	8,046	4,466	4,466	25,024		32,131	32,131	57,155
Special event expense	279	279	279	279	1,116	464	3,705	4,169	5,285
Bank charges and interest expense	2,802	2,802	2,452	1,284	9,340	1,168	1,168	2,336	11,676
Miscellaneous expenses	18,942	18,942	16,444	12,695	67,023	15,139	12,894	28,033	95,056
Depreciation and amortization	19,918	19,918	17,906	11,200	68,942	6,707	6,710	13,417	82,359
	879,081	853,514	323,377	393,068	2,449,040	186,204	204,738	390,942	2,839,982
Total expenses	$ 1,309,525	$ 1,283,216	$ 714,781	$ 583,404	$ 3,890,926	$ 360,750	$ 406,716	$ 767,466	$ 4,658,392

LEGAL MOMENTUM

Statement of Functional Expenses
Year Ended June 30, 2010

	Program Services					Supporting Services			
	Gender Equity	Violence Against Women	Job and Workplace	Women and Poverty	Total	Management and General	Development	Total	Total Expenses
Personnel:									
Salaries	$ 275,727	$ 659,921	$ 402,180	$ 171,419	$ 1,509,247	$ 153,740	$ 353,779	$ 507,519	$ 2,016,766
Payroll taxes	26,511	59,260	37,599	20,188	143,558	16,612	35,439	52,051	195,609
Employee benefits	49,199	94,143	67,591	28,624	239,557	56,273	39,679	95,952	335,509
	351,437	813,324	507,370	220,231	1,892,362	226,625	428,897	655,522	2,547,884
Donated services	16,345	977,955	229,002	10,162	1,233,464	9,110	20,972	30,082	1,263,546
Occupancy	77,405	258,695	108,628	120,234	564,962	86,435	105,762	192,197	757,159
Conferences, meetings and travel	12,889	40,672	3,394	1,285	58,240	3,054	10,803	13,857	72,097
Insurance	2,822	2,286	3,992	1,805	10,905	3,239	3,964	7,203	18,108
Consultants and subcontractors	139,235	200,076	8,740	26,085	374,136	74,484	53,697	128,181	502,317
Accountants and professional fees	6,300	14,850	9,000	3,600	33,750	3,150	8,100	11,250	45,000
Publications, subscriptions, memberships	5,315	8,568	519	560	14,962	811	336	1,147	16,109
Office supplies and equipment	13,275	18,210	15,863	8,204	55,552	9,787	51,267	61,054	116,606
Telephone and mail	13,144	28,999	14,047	14,841	71,031	4,844	7,226	12,070	83,101
Printing and reproduction	5,195	3,500	2,092	5,211	15,998		12,097	12,097	28,095
Special event expense	8,692	17,384	17,384	16,708	60,168				60,168
Bank charges and interest expense	4,262	3,855	5,151	3,490	16,758	2,461	3,071	5,532	22,290
Miscellaneous expenses	308	424	460	975	2,167	70	1,957	2,027	4,194
Inventory obsolescence	169,297	169,297	169,297	169,297	677,188				677,188
Depreciation and amortization	10,939	16,988	15,475	15,124	58,526	12,557	15,365	27,922	86,448
	485,423	1,761,759	603,044	397,581	3,247,807	210,002	294,617	504,619	3,752,426
Total expenses	$ 836,860	$ 2,575,083	$ 1,110,414	$ 617,812	$ 5,140,169	$ 436,627	$ 723,514	$ 1,160,141	$ 6,300,310

See notes to financial statements

LEGAL MOMENTUM

Statements of Cash Flows

	Year Ended June 30, 2011	Year Ended June 30, 2010
Cash flows from operating activities:		
Change in net assets	**$ 846,141**	$ 300,498
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**82,359**	86,445
Donated investments	**(40,010)**	(41,338)
Net realized and unrealized gains on investments	**(55,722)**	(46,269)
Changes in:		
Inventory		677,189
Grants receivable	**818,851**	(829,833)
Accounts receivable	**(118,417)**	93,326
Prepaid expenses and other assets	**37,570**	(55,879)
Accounts payable and accrued expenses	**(126,541)**	21,824
Deferred rent	**(66,623)**	(49,761)
Net cash provided by operating activities	**1,377,608**	156,202
Cash flows from investing activities:		
Proceeds from sales of investments	**327,386**	802,198
Purchases of investments	**(279,864)**	(502,845)
Net cash provided by investing activities	**47,522**	299,353
Cash flows from financing activities:		
Repayments of borrowings	**(177,759)**	(378,846)
Net increase in cash and cash equivalents	**1,247,371**	76,709
Cash and cash equivalents - beginning of year	**659,513**	582,804
Cash and cash equivalents - end of year	**$ 1,906,884**	$ 659,513
Supplemental disclosures of cash flow information:		
Non-cash donation of services	**$ 738,061**	$ 1,263,550
Cash paid for interest	**$ 1,131**	$ 9,682

See notes to financial statements

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

[1] The Organization:

Legal Momentum (the "Organization"), formerly known as the NOW Legal Defense and Education Fund, was established in 1970 under the not-for-profit laws of the District of Columbia. The Organization pursues equality for women and girls in the workplace, the schools, the family and the courts, using a variety of strategies, including litigation, policy analysis, administrative advocacy and public education programs.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The Organization filed an election with the Internal Revenue Service to make expenditures to influence legislation.

[2] Financial reporting:

(a) Basis of accounting:

The accompanying financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

(b) Functional allocation of expenses:

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services using reasonable ratios determined by management.

(c) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingencies. Actual results may differ from those estimates.

(d) Cash and cash equivalents:

The Organization considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased. Deposits have been pledged as collateral for a letter of credit (see Note G).

(e) Net assets:

The net assets of the Organization and the changes therein are classified and reported as follows:

(i) Unrestricted:

Unrestricted net assets represent those resources for which there are no donor restrictions as to their use.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[2] Financial reporting: (continued)

(e) Net assets: (continued)

(ii) Temporarily restricted:

Temporarily restricted net assets represent those resources the use of which has been restricted by donors to specific purposes or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by donors.

(iii) Permanently restricted:

Permanently restricted net assets represent those resources the use of which has been permanently restricted by donors.

[3] Investments and investment income:

Investments in marketable securities are reported at their fair values at fiscal year-end. Donated securities are initially recorded at their fair values on the dates of the gifts. Net investment income and realized and unrealized gains and losses on investments are reported in the accompanying statements of activities.

[4] Property and equipment:

Property and equipment are stated at their costs at the dates of acquisition or at their fair values at the dates of donation. Depreciation of furniture and equipment is provided using the straight-line method, over an estimated useful life of five years. Leasehold improvements are amortized using the straight-line method, over the term of the underlying leases.

[5] Fair-value measurement:

The Organization reports a fair-value measurement of all applicable financial assets and liabilities, including investments, grants receivable, accounts receivable, short-term payables and debt. (For the fair valuation of investments, see Note B.)

[6] Revenue recognition:

Contributions to the Organization are recorded as revenue upon the receipt of cash or unconditional pledges. Contributions are considered available for unrestricted use unless specifically restricted by the donors. The Organization records bequest income at the time it has an established right to a bequest and the expected proceeds are measurable.

Government and foundation grants are recorded as restricted support when received and released from restrictions as the funds are spent and the restrictions are satisfied.

Rental income is recorded in accordance with the terms of underlying leases.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Deferred rent:

The difference between rent expense incurred by the Organization on an accrual basis and the lesser amounts paid in cash is attributable to scheduled rent increases and is reported as a deferred rent liability in the accompanying statements of financial position.

[8] Accrued vacation:

Based on their tenure, the Organization's employees are entitled to be paid for unused vacation time if they leave the Organization. Accordingly, at each fiscal year-end, the Organization must recognize a liability for the amount that would be incurred if employees with such unused vacation time were to leave. At June 30, 2011 and 2010, this accrued vacation obligation was $92,428 and $144,748, respectively, and was reported as part of accounts payable and accrued expenses in the accompanying statements of financial position.

[9] Endowment fund:

The Organization reports all applicable disclosures to its funds treated as endowment. The Board of Directors has not designated any unrestricted funds to function as endowment (see Note J).

[10] Income tax:

The Organization has adopted the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 740-10-05 relating to accounting and reporting for uncertainty in income taxes. Because of the Organization's general tax-exempt status, the adoption of ASC 740-10-05 has not had, and is not expected to have, a material impact on the Organization's financial statements.

[11] Subsequent events:

The Organization considers the accounting treatments, and the related disclosures in the current fiscal-year's financial statements, that may be required as the result of all events or transactions that occur after the fiscal year-end through the date of the independent auditors' report.

NOTE B - INVESTMENTS

At each fiscal year-end, investments consisted of the following:

	June 30,			
	2011		2010	
	Cost	Fair Value	Cost	Fair Value
U.S. government obligations	**$ 74,456**	**$ 72,283**	$ 105,751	$ 102,694
Bond funds	**272,782**	**292,215**	49,199	59,316
Equity funds	**322,349**	**376,575**	448,843	530,853
	$ 669,587	**$ 741,073**	$ 603,793	$ 692,863

NOTE B - INVESTMENTS (CONTINUED)

During each fiscal year, net investment income (losses) consisted of the following:

	Year Ended June 30, 2011	2010
Interest and dividends	**$ 19,379**	$ 52,654
Net realized gains	**65,525**	12,205
Net unrealized gains (losses)	**(9,803)**	34,064
	$ 75,101	$ 98,923

Fair-value measurement as defined in ASC 820-10-05 prescribes three levels of fair-value measurement as follows:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets and liabilities at the reporting date. The types of investments included in Level 1 are exchange-traded equity securities and mutual funds.

Level 2: Valuations are based on (i) quoted prices for similar assets or liabilities in active markets, or (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include bond funds that are redeemable at or near the balance sheet date.

Level 3: Fair value is determined based on pricing inputs that are unobservable and includes situations where there is little, if any, market activity for the asset or liability. Level 3 assets include those privately held investments and securities held in limited offshore hedge funds and private capital funds.

The classification of investments within the fair-value hierarchy is not an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment. The following summarizes the fair values of the Organization's assets at each fiscal year-end, in accordance with the ASC 820-10-05 valuation levels:

	June 30, 2011		
	Level 1	**Level 2**	**Total**
U.S. government obligations		**$ 72,283**	**$ 72,283**
Bond funds		**292,215**	**292,215**
Equity funds	**$ 376,575**		**376,575**
Total	**$ 376,575**	**$ 364,498**	**$ 741,073**

	June 30, 2010		
	Level 1	**Level 2**	**Total**
U.S. government obligations		$ 102,694	$ 102,694
Bond funds		59,316	59,316
Equity funds	$ 530,853		530,853
Total	$ 530,853	$ 162,010	$ 692,863

There are no Level 3 investments.

NOTE C - GRANTS RECEIVABLE

At each fiscal year-end, grants receivable consisted of the following:

	June 30, 2011	June 30, 2010
U.S. Department of Justice	**$ 1,022,500**	$ 1,819,052
State Justice Institute	**27,701**	0
Ford Capacity Grant	**50,000**	100,000
	$ 1,100,201	$ 1,919,052

Based on prior experience, management expects to collect the receivables in full, and, accordingly, has not established an allowance for uncollectible accounts.

NOTE D - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	June 30, 2011	June 30, 2010
Furniture and fixtures	**$ 286,005**	$ 286,005
Telephone system	**108,776**	108,776
Computers	**364,898**	364,898
Leasehold improvements	**994,054**	994,054
	1,753,733	1,753,733
Less accumulated depreciation and amortization	**(1,526,711)**	(1,444,352)
	$ 227,022	$ 309,381

NOTE E - RETIREMENT BENEFITS

The Organization has a defined-contribution pension plan, qualified under Section 403(b) of the Internal Revenue Code. The plan covers all employees who meet the Organization's length-of-service requirements. Contributions by the Organization are discretionary and can be made only with the Board of Directors' approval. Contributions for fiscal-years 2011 and 2010 were $70,270 and $108,330, respectively.

In addition, the Organization has a 403(b) tax-sheltered annuity retirement plan, which is available to all employees. Contributions are made by employees and are not matched by the Organization.

NOTE F - DONATED SERVICES

A substantial number of volunteers have donated significant amounts of their time to the Organization. These contributed services have been valued at the standard market rates that would have been incurred by the Organization to obtain them, and, because they meet the following criteria prescribed by generally accepted accounting principles, they have been reported as both revenue and expense in the accompanying statements of activities:

- the services received either create or enhance nonfinancial assets, or

NOTE F - DONATED SERVICES (CONTINUED)

- the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.

During fiscal-years 2011 and 2010, the Organization received donated services for its programs, consisting primarily of legal services, in the amounts of $738,061 and $1,263,550, respectively.

NOTE G - COMMITMENTS AND CONTINGENCY

[1] Operating leases:

The Organization rents office space in Washington, D.C., under a lease which expires in May 2017. It also rents office space in New York City, under a lease which expires in December 2013. Rent expense was $739,549 and $718,537 for fiscal-years 2011 and 2010, respectively. Minimum future rental payments are as follows:

Year Ending June 30,	Amount
2012	$ 727,598
2013	749,669
2014	528,159
2015	289,653
Thereafter	536,590
	$ 2,831,669

[2] Letter-of-credit:

Under the lease agreement for the New York office space, the Organization is obligated under a $70,780 unused bank letter-of-credit, which is required in lieu of a security deposit. The letter-of-credit is collateralized by a time deposit that the Organization must maintain with the bank. The time deposit had a balance of $83,000 as of both June 30, 2011 and 2010.

[3] Government contracts:

The Organization's government-funded activities are subject to audit by the applicable granting agencies. At June 30, 2011, there were no material obligations outstanding as a result of such audits, and the Organization's management believes that unaudited projects will not result in any material obligations.

[4] Note payable:

The Organization obtained a line-of-credit of $1,000,000 with JPMorgan Chase Bank with an annual interest rate of 4%. The balance is payable in monthly installments. The outstanding balance owed as of June 30, 2011 and 2010 was $0 and $177,759, respectively.

NOTE H - CONCENTRATION OF CREDIT RISK

The Organization maintains cash deposits in a major bank, and the account balances at times may exceed federally insured limits. Management believes that the Organization is not exposed to any significant risk of loss due to the failure of the bank.

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

At each fiscal year-end, temporarily restricted net assets consisted of the following:

	June 30,	
	2011	**2010**
Gender equity	**$ 144,259**	$ 650,754
Violence against women	**556,187**	1,098,314
Job and workplace	**32,226**	44,747
Women and poverty	**340,969**	29,077
Management and general	**14,280**	13,967
Development	**16,680**	16,314
	$ 1,104,601	$ 1,853,173

During each fiscal year, net assets released from restrictions consisted of the following:

	Year Ended June 30,	
	2011	**2010**
Gender equity	**$ 574,703**	$ 509,857
Violence against women	**744,124**	802,385
Job and workplace	**281,973**	352,166
Women and poverty	**120,518**	38,167
Management and general	**28,247**	30,750
Development	**32,994**	35,917
	$ 1,782,559	$ 1,769,242

NOTE J - ENDOWMENT

[1] The endowment:

The Organization's endowment consists solely of a donor-restricted fund and is reported as permanently restricted.

[2] Interpretation of relevant law:

The Board of Directors has interpreted the Delaware Uniform Prudent Management of Institutional Funds Act as requiring the consideration of the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary.

NOTE J - ENDOWMENT (CONTINUED)

[3] Endowment objectives:

The Organization has adopted investment and spending policies 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 the endowment assets.