COMBINED FINANCIAL STATEMENTS

national partnership for women & families

FOR THE YEAR ENDED MARCH 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND
NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES ACTION FUND

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Partnership for Women & Families and National Partnership
for Women & Families Action Fund
Washington, D.C.

Opinion

We have audited the accompanying combined financial statements of the National Partnership for Women & Families and National Partnership for Women & Families Action Fund (the National Partnership), which comprise the combined statement of financial position as of March 31, 2023, and the related combined statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the National Partnership as of March 31, 2023, and the combined change 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 for 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 Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the National Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, 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 combined 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 combined 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 combined 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 National Partnership'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the National Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the National Partnership's 2022 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Gelman Rosenberg & Freedman

December 7, 2023

NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND
NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES ACTION FUND

COMBINED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

ASSETS

	2023	2022
Cash and cash equivalents	$ 6,988,767	$ 3,145,953
Investments	18,334,467	20,812,044
Grants and pledges receivable, net of discount	2,438,669	1,007,540
Accounts receivable	9,208	180,273
Prepaid expenses	161,033	219,512
Fixed assets, net of accumulated depreciation and amortization of $128,776 and $65,597 for 2023 and 2022, respectively	597,294	128,861
Security deposit	87,003	151,227
Right-of-use asset, net	4,240,608	-
TOTAL ASSETS	**$ 32,857,049**	**$ 25,645,410**

LIABILITIES AND NET ASSETS

	2023	2022
LIABILITIES		
Loan payable	$ -	$ 878,030
Accounts payable and accrued liabilities	298,442	98,403
Accrued salaries and related benefits	245,193	297,673
Deferred compensation liability	817,642	893,596
Deferred rent	-	5,454
Lease liability	4,487,315	-
Total liabilities	5,848,592	2,173,156
NET ASSETS		
Without donor restrictions	10,552,110	5,948,178
With donor restrictions	16,456,347	17,524,076
Total net assets	27,008,457	23,472,254
TOTAL LIABILITIES AND NET ASSETS	**$ 32,857,049**	**$ 25,645,410**

**NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND
NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES ACTION FUND**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants	$ 7,998,276	$ 4,279,730	$ 12,278,006	$ 2,730,826
Contributions	933,269	802,225	1,735,494	1,513,121
Special event, net of expenses of $297,716 and $185,637 for 2023 and 2022, respectively	111,177	-	111,177	751,123
Interest and dividend income, net of fees	196,788	192,216	389,004	184,206
Other income	82,429	-	82,429	792,450
Net assets released from restrictions	5,112,331	(5,112,331)	-	-
Total revenue and support	14,434,270	161,840	14,596,110	5,971,726
EXPENSES				
Program Services:				
Health Justice	2,802,851	-	2,802,851	2,801,617
Economic Justice	2,175,535	-	2,175,535	3,424,949
Advocacy	670,152	-	670,152	66,640
Communications	1,129,059	-	1,129,059	898,161
Outreach, Member and Public Education	576,904	-	576,904	160,576
DEI	144,964	-	144,964	-
Total program services	7,499,465	-	7,499,465	7,351,943
Supporting Services:				
Resource Development	1,855,646	-	1,855,646	1,607,752
General and Administrative	826,171	-	826,171	690,817
Total supporting services	2,681,817	-	2,681,817	2,298,569
Total expenses	10,181,282	-	10,181,282	9,650,512
Change in net assets before other items	4,252,988	161,840	4,414,828	(3,678,786)
OTHER ITEMS				
Realized and unrealized (loss) gain on investments	(512,836)	(1,229,569)	(1,742,405)	1,717,440
Extinguishment of debt	878,030	-	878,030	-
Provision for uncollected pledges	(14,250)	-	(14,250)	(170,993)
Change in net assets	4,603,932	(1,067,729)	3,536,203	(2,132,339)
Net assets at beginning of year	5,948,178	17,524,076	23,472,254	25,604,593
NET ASSETS AT END OF YEAR	**$ 10,552,110**	**$ 16,456,347**	**$ 27,008,457**	**$ 23,472,254**

NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES ACTION FUND

COMBINED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2023 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023											2022
	Program Services							Supporting Services				
	Health Justice	Economic Justice	Advocacy	Communications	Outreach, Member and Public Education	DEI	Total Program Services	Resource Development	General and Administrative	Total Supporting Services	Total Expenses	Total Expenses
Salaries and benefits	$ 2,065,912	$ 1,830,325	$ 463,863	$ 781,621	$ 399,962	$ 129,953	$ 5,671,636	$ 1,485,773	$ 542,164	$ 2,027,937	$ 7,699,573	$ 6,060,582
Duplicating	25,343	1,706	14,228	635	6,772	33	48,717	5,851	879	6,730	55,447	49,857
Office supplies	11,790	9,775	2,650	5,748	2,320	612	32,895	9,850	14,155	24,005	56,900	20,748
Occupancy	125,405	104,468	27,843	50,057	24,319	5,348	337,440	80,252	151,691	231,943	569,383	978,549
Telecommunication	2,634	2,177	570	1,603	500	117	7,601	1,669	3,147	4,816	12,417	12,806
Website, internet and television	3,525	2,179	561	28,261	492	115	35,133	1,642	3,110	4,752	39,885	75,376
Insurance	2,638	2,197	578	1,052	507	119	7,091	1,693	3,190	4,883	11,974	8,724
Subscriptions	1,613	19,240	8,897	35,932	143	268	66,093	3,511	644	4,155	70,248	53,813
Fees, dues and contributions	16,023	13,349	2,675	53,615	3,348	550	89,560	44,665	34,284	78,949	168,509	94,569
Honorarium	122,950	250	250	-	17,067	-	140,517	-	-	-	140,517	82,092
Postage and courier	1,066	764	201	366	1,439	41	3,877	11,260	1,109	12,369	16,246	19,136
Meetings	32,425	99,307	6,665	874	488	85	139,844	17,375	2,291	19,666	159,510	100,975
Travel	6,000	13,073	1,001	2,252	54,278	1,464	78,068	54,626	194	54,820	132,888	9,016
Staff development and recruitment	3,894	3,215	1,031	2,105	12,824	3,552	26,621	3,441	4,260	7,701	34,322	167,617
Legal	3,909	3,256	856	1,559	752	176	10,508	2,508	4,939	7,447	17,955	58,153
Accounting	7,923	6,599	1,736	3,161	1,524	357	21,300	5,084	9,582	14,666	35,966	35,986
Contract services	354,959	50,717	133,845	154,682	46,360	1,255	741,818	124,982	33,700	158,682	900,500	1,890,050
Event expenses	900	1,334	-	-	-	-	2,234	261,026	-	261,026	263,260	-
Mailings	-	-	-	-	1,317	-	1,317	27,001	-	27,001	28,318	44,889
Miscellaneous	-	-	-	-	-	-	-	2,000	-	2,000	2,000	5,991
Provision for uncollectible pledges	-	-	-	-	-	-	-	-	14,251	14,251	14,251	170,993
Depreciation and amortization	13,942	11,604	2,702	5,536	2,492	919	37,195	9,153	16,831	25,984	63,179	67,220
Subtotal	2,802,851	2,175,535	670,152	1,129,059	576,904	144,964	7,499,465	2,153,362	840,421	2,993,783	10,493,248	10,007,142
Less: Provision for uncollectible pledges included in other items in the statement of activities	-	-	-	-	-	-	-	-	(14,250)	(14,250)	(14,250)	(170,993)
Less: Special event expenses included with revenues in the statement of activities	-	-	-	-	-	-	-	(297,716)	-	(297,716)	(297,716)	(185,637)
TOTAL EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES	**$ 2,802,851**	**$ 2,175,535**	**$ 670,152**	**$ 1,129,059**	**$ 576,904**	**$ 144,964**	**$ 7,499,465**	**$ 1,855,646**	**$ 826,171**	**$ 2,681,817**	**$ 10,181,282**	**$ 9,650,512**

See accompanying notes to combined financial statements.

NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND
NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES ACTION FUND

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,536,203	$ (2,132,339)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	63,179	67,220
Receipt of donated securities	(12,636)	(62,250)
Proceeds from the sales of donated securities	12,792	62,178
Change in discount on grants and pledges receivable	12,798	(2,810)
Realized and unrealized loss (gain) on investments	1,742,405	(1,717,440)
Extinguishment of debt	(878,030)	-
Loss on disposal of fixed assets	-	5,700
Provision for uncollected pledges	(14,250)	(170,993)
Amortization of right-of-use asset	274,528	-
(Increase) decrease in:		
Grants and pledges receivable	(1,429,677)	1,264,394
Accounts receivable	171,065	(159,520)
Prepaid expenses	58,479	(41,070)
Security deposit	64,224	(86,983)
Increase (decrease) in:		
Accounts payable and accrued liabilities	200,039	(77,865)
Accrued salaries and related benefits	(52,480)	(36,536)
Deferred compensation liability	(75,954)	16,761
Deferred rent	(5,454)	(64,989)
Operating lease liability	(27,821)	-
Net cash provided (used) by operating activities	3,639,410	(3,136,542)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(531,612)	(108,770)
Net proceeds from sales of investments	735,016	662,960
Net cash provided by investing activities	203,404	554,190
Net increase (decrease) in cash and cash equivalents	3,842,814	(2,582,352)
Cash and cash equivalents at beginning of year	3,145,953	5,728,305
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 6,988,767**	**$ 3,145,953**
SCHEDULE OF NON-CASH FINANCING ACTIVITIES		
Right-of-Use Asset	**$ 4,515,136**	**$ -**
Operating Lease Liability for Right-of-Use Asset	**$ 4,472,642**	**$ -**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organizations -

The National Partnership for Women & Families is a multi-funded nonprofit, nonpartisan organization that uses public education and advocacy to promote fairness in the workplace, access to quality health care, and policies that help women and men meet the dual demands of work and family.

The National Partnership for Women & Families established the National Partnership for Women & Families Action Fund, a social welfare corporation within the meaning of section 501(c)(4) of the Internal Revenue Code. The corporation was established on June 20, 2001 and is a separate entity with its own tax ID number and IRS filing obligations. The purpose of the corporation is to promote social welfare by promoting public policies that enhance the well-being of women and families.

Basis of presentation -

The accompanying combined financial statements represent the activity of the National Partnership for Women & Families and National Partnership for Women & Families Action Fund (collectively, the National Partnership) and have been combined because they are under common control. All intercompany transactions and balances have been eliminated.

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entitie*s. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than the National Partnership mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the National Partnership's combined financial statements for the year ended March 31, 2022, from which the summarized information was derived.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncement adopted -

During 2023, the National Partnership adopted ASU 2019-01, *Leases* (Topic 842), which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosure of key information about leasing arrangements. The National Partnership applied the new standard at the date of initial application and also the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 8 for further details

Cash and cash equivalents -

The National Partnership considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding money market funds in the amount of $376,488. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, the National Partnership maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest and dividends are included in interest and dividend income, which is presented net of investment expenses paid to external investment advisors, in the accompanying Combined Statement of Activities and Change in Net Assets. Realized and unrealized gains and losses are presented separately as an other item on the Combined Statement of Activities and Change in Net Assets

Receivables -

Receivables are recorded at their net realizable value, which approximates fair value. Receivables that are expected to be collected in future years are recorded at their fair value and measured at the present value of their future cash flows. The discounts on these 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 grants and contribution revenue. All grants, pledges and accounts receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of $1,500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses when incurred.

Revenue recognition -

Grants and contributions -

The majority of the National Partnership's revenue is received through grants and contributions. Grants and contributions are recognized in the appropriate category of net assets in the period received.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Revenue recognition (continued) -

Grants and contributions (continued) -

The National Partnership performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.*

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying combined financial statements.

Grants or contributions qualifying as conditional contributions contain a right of return from obligation provision that limits the National Partnership on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. The National Partnership recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as conditional contributions, the National Partnership had no unrecognized awards as of March 31, 2023.

Event revenue -

Event revenue is classified as an exchange transaction which follows ASU 2014-09, *Revenue from Contracts With Customers*, and is recorded as revenue at a point in time when the performance obligations are met which is when the related event occurs. The National Partnership has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Funding received in advance of satisfying performance obligations is recorded as deferred revenue.

Income taxes -

The National Partnership for Women & Families is exempt from taxes on income other than unrelated business income, under provisions of the Internal Revenue Code Section 501(c)(3) and the applicable state regulations. The National Partnership for Women & Families is not a private foundation.

The National Partnership for Women & Families Action Fund is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Uncertain tax positions -

For the year ended March 31, 2023, the National Partnership has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Advertising -

The National Partnership expenses advertising costs as incurred. Advertising costs were $75,892 and are included within Contract services in the accompanying Combined Statement of Functional Expenses for the year ended March 31, 2023. Approximately $15,500 of advertising costs went towards costs for a public education campaign as part of the Economic Justice program.

Use of estimates -

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the National Partnership are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of time and effort.

Investment risks and uncertainties -

The National Partnership invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

Fair value measurement -

The National Partnership applies the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The National Partnership accounts for its financial instruments at fair value or considers fair value in their measurement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncement (not yet adopted) -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for the National Partnership for the year ending June 30, 2024. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

The National Partnership plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying combined financial statements.

2. INVESTMENTS

Investments are recorded at fair value and consisted of the following at March 31, 2023:

Money market funds	$ 376,488
Equities	13,584,349
Fixed income	4,373,630
TOTAL INVESTMENTS	**$ 18,334,467**

Included in investments at March 31, 2023 are funds held for the deferred compensation plan in the amount of $817,642.

The following is a summary of interest and dividend income and the realized and unrealized loss on investments for the year ended March 31, 2023:

Interest and dividend income	$ 393,176
Interest from sweep and money market accounts	44,878
Less: Management fees	(49,050)
TOTAL INTEREST AND DIVIDEND INCOME, NET OF FEES	**$ 389,004**
REALIZED AND UNREALIZED LOSS ON INVESTMENTS	**$ (1,742,405)**

3. GRANTS AND PLEDGES RECEIVABLE

Grants and pledges due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of 5%. All grants and pledges have been deemed fully collectible; therefore, an allowance for uncollectable pledges has not been established. Grants and pledges are due as follows at March 31, 2023:

Less than one year	$ 2,177,419
One to five years	275,000
Total grants and pledges receivable	2,452,419
Less: Allowance to discount present value	(13,750)
GRANTS AND PLEDGES RECEIVABLE, NET	**$ 2,438,669**

4. FIXED ASSETS

Fixed assets consisted of the following at March 31, 2023:

	Cost	Accumulated Depreciation and Amortization	Book Value
Furniture and equipment	$ 145,666	$ 93,469	$ 52,197
Leasehold improvements	213,643	16,185	197,458
Software	366,761	19,122	347,639
TOTAL FIXED ASSETS	**$ 726,070**	**$ 128,776**	**$ 597,294**

5. LOAN PAYABLE

On March 30, 2021, the National Partnership entered into a five-year promissory note agreement in the amount of $878,030 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. The National Partnership applied for forgiveness in accordance with the CARES Act after completing the 24-week period and received notification of forgiveness on September 13, 2022. The National Partnership recorded the extinguishment of debt as an other item during the year ending March 31, 2023.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2023:

Program Restricted:	
Health Justice	$ 1,422,562
Economic Justice	1,166,430
Subject to Passage of Time:	
General Support	850,045
Total purpose and time restricted	3,439,037
Investments in perpetuity	14,054,663
Accumulated investment losses	(1,037,353)
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 16,456,347**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Program Restricted:	
Health Justice	$ 2,216,880
Economic Justice	1,603,476
Passage of Time:	
General Support	1,291,975
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	**$ 5,112,331**

7. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)

Financial assets available for use within one year of the Combined Statement of Financial Position were comprised of the following at March 31, 2023:

Cash and cash equivalents	$ 6,988,767
Investments	18,334,467
Grants and pledges receivable due within one year	2,177,419
Accounts receivable	9,208
Total financial assets	27,509,861
Less: Financial assets unavailable for expenditure within one year due to:	
Donor imposed restrictions	(2,588,992)
Investments in perpetuity	(14,054,663)
FINANCIAL ASSETS AVAILABLE FOR EXPENDITURE WITHIN ONE YEAR	**$ 10,866,206**

The National Partnership has a policy to structure its financial assets to be available and liquid as its obligations become due. The National Partnership has a significant donor restricted net asset balance to fund programmatic activities in future periods.

8. LEASE COMMITMENT

Operating lease -

The National Partnership leased office space under an operating lease, which expired on April 30, 2022. Beginning June 1, 2022, the National Partnership entered into a 132-month agreement to lease office space. Base rent is $521,899 per year, increasing by a factor of 2.5% per year. The lease includes 12 months of abated rent in the first year of the lease as well as $110 per square foot for tenant improvement allowance.

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosure of key information about leasing arrangements. The National Partnership elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. As a result, the National Partnership recorded the right-of-use asset in the amount of $4,515,136 and operating lease liability in the amount of $4,472,642 by calculating the net present value of their new lease commitments using a discount rate of 5%. The following is a summary of future minimum rental payments required under the lease agreement:

Year Ending March 31,	
2024	$ 532,772
2025	546,174
2026	559,845
2027	573,842
2028	588,188
Thereafter	3,280,608
	6,081,429
Less: Imputed Interest	(1,594,114)
	4,487,315
Less: Current Portion	(270,846)
LONG-TERM PORTION	**$ 4,216,469**

8. LEASE COMMITMENT (Continued)

Operating lease (continued) -

The National Partnership incurred $554,325 of rent expense during the year ended March 31, 2023 and is included in Occupancy expense within the accompanying Combined Statement of Functional Expenses.

9. DEFERRED COMPENSATION PLAN

Deferred compensation Plan assets consist solely of money market funds and equities and are recorded at their fair value. All amounts deferred pursuant to the Plan remain the property of the employer and are subject to the claims of the employer's general creditors until distributed in accordance with the terms of the Plan.

Eligible employees are those belonging to a select group of management or highly-compensated employees and approved by the Board. Eligible employees shall be fully vested at all times in their account balances under this Plan and shall receive distributions upon termination of employment with the National Partnership.

The balance of the deferred compensation liability was $817,642 as of March 31, 2023, and is included in the accompanying Combined Statement of Financial Position.

10. PENSION PLAN

Eligible employees of the National Partnership are covered by a Simplified Employee Pension Plan (SEP) established under IRS regulations. Contributions are made to individually established IRA accounts on behalf of each eligible employee over twenty-one years of age who have performed services for the National Partnership in at least one year of the immediately preceding five years.

Contributions for the year were six percent of each eligible employee's total compensation. Pension expense was $297,540 for the year ended March 31, 2023.

In addition, eligible employees may defer a portion of their salaries into a defined contribution plan established under Section 403(b) of the Internal Revenue Code. Deferrals are subject to the maximum limits imposed by law.

11. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, the National Partnership has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Combined Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the National Partnership has the ability to access.

11. FAIR VALUE MEASUREMENT (Continued)

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used as of March 31, 2023.

- *Money Market Funds* - The money market fund is an open-end fund that is registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Fixed Income* - Valued at the daily closing price as reported by the fund. Fixed income funds held by the National Partnership are open-ended funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Fixed income funds held by the National Partnership are deemed to be actively traded.

The table below summarizes, by level within the fair value hierarchy, the National Partnership's investments as of March 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments:				
Equities	$ 13,409,713	$ -	$ -	$ 13,409,713
Fixed income	4,107,112	-	-	4,107,112
	17,516,825	-	-	17,516,825
Deferred Compensation Investments:				
Money market funds	376,488	-	-	376,488
Equities	174,636	-	-	174,636
Fixed income	266,518	-	-	266,518
	817,642	-	-	817,642
TOTAL INVESTMENTS	**$ 18,334,467**	**$ -**	**$ -**	**$ 18,334,467**

There were no transfers between levels in the fair value hierarchy during the year ended March 31, 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

12. ENDOWMENT

During the fiscal years ending March 31, 2005, March 31, 2007 and March 31, 2008, the National Partnership received three matching grants from the Ford Foundation totaling $10,000,000 to be applied to an endowment fund “to be maintained on a permanent basis.” The National Partnership was required to raise $5,000,000 of matching funds for the endowment by September 2007 and accomplished this in accordance with the terms of the grants.

12. ENDOWMENT (Continued)

As of March 31, 2015, the organization received commitments for the endowment from outside donors totaling $4,961,077 all of which have been collected by March 31, 2015.

In accordance with the terms of the Ford Foundation grants, the National Partnership spent $906,414 of the grant funds on the expenses of the ongoing endowment campaign during the fiscal years ending March 31, 2004 through March 31, 2007.

As stated in the Ford Foundation grant letters, the National Partnership's spending policy is to be designed to maintain the purchasing power of the endowment fund "over time." The National Partnership may expend any increase over the original value of the endowment grant in each year. Except as provided elsewhere in the grant conditions, the principal of the endowment fund may be expended in emergency circumstances with the prior approval of the National Partnership's Board of Directors.

The National Partnership's endowment consists of the above donor-restricted endowment funds. 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 is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the National Partnership considers a fund to be underwater if the fair value of the fund is less than the original value of initial and subsequent gift amounts donated to the fund. The National Partnership has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the National Partnership considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund as of March 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 14,054,663	$ 14,054,663
Accumulated investment losses	-	(1,037,353)	(1,037,353)
TOTAL ENDOWMENT FUNDS	**$ -**	**$ 13,017,310**	**$ 13,017,310**

12. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended March 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 14,054,663	$ 14,054,663
Interest and dividends, net	-	192,216	192,216
Realized and unrealized loss on investments	-	(1,229,569)	(1,229,569)
ENDOWMENT NET ASSETS, END OF YEAR	**$ -**	**$ 13,017,310**	**$ 13,017,310**

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. Deficiencies of this nature exist as of March 31, 2023. The endowment fund has an original gift value of $14,054,663, and a deficiency of $1,037,353 as of March 31, 2023. This deficiency resulted from unfavorable market fluctuations that occurred during the year. The National Partnership intends to use future investment returns to cover the losses. As of December 7, 2023, the date of this report, market conditions have improved, reducing the deficiency to $47,000. In addition, the National Partnership has not disbursed a portion of the funds previously authorized for spending, so the overall balance of the investments portfolio, including funds that are no longer considered part of the endowment, was $18,334,467 as of March 31, 2023.

Return Objectives and Risk Parameters -

The National Partnership has adopted an investment policy that attempts to maximize total return with an acceptable level of risk; preserve the real purchasing power of the endowment fund; and provide a stable source of perpetual financial support. On an annualized net of fees basis, the total return of the portfolio will be expected to equal or exceed 5%, plus inflation (CPI) over a rolling three-year period. Additionally, returns should show favorable relative performance characteristics, exceeding the average return of appropriate capital market indices weighted by the asset allocation target percentages over a rolling three-year period.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the National Partnership 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). The National Partnership seeks a diversified asset allocation both by asset class and within asset classes. Allocation by classes places a greater emphasis on equity-based investments. Within each asset class, investments will be diversified among economic sector, industry, quality, and size, in order to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the performance of the total fund.

Spending Policy -

The National Partnership has established a spending policy to distribute annually an amount not to exceed five percent (5%) of a three-year moving average of the market value of the endowment fund.

12. ENDOWMENT (Continued)

Spending Policy (continued) -

This policy is implemented in compliance with the terms of the Ford Foundation endowment grants, under which the National Partnership may expend any increase over the original value of the endowment grant in each year, and except as provided elsewhere in the grant conditions, the principal of the endowment fund may be expended in emergency circumstances and only with the prior approval of the National Partnership's Board of Directors.

Over the long-term, the National Partnership expects this spending policy to allow its endowment to grow annually and to comply with the terms of endowment grants, under which the National Partnership is to maintain the purchasing power of the endowment fund over time.

13. NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES ACTION FUND

The National Partnership for Women & Families Action Fund (the Action Fund) engages in legislative advocacy, voter education, grassroots organizing and other activities to promote fairness in the workplace, reproductive health and rights, access to quality, affordable health care and policies that help women and men meet the dual demands of work and family.

During the year ended March 31, 2023, the Action Fund earned $50,000 in revenue and incurred $83,828 in expenses, resulting in an decrease of net assets of $33,828.

14. SUBSEQUENT EVENTS

In preparing these combined financial statements, the National Partnership has evaluated events and transactions for potential recognition or disclosure through December 7, 2023, the date the combined financial statements were issued.