

COMBINED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED MARCH 31, 2024
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2023**

**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, 2024, 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, 2024, 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 2023 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.



November 14, 2024

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

**COMBINED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

ASSETS

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 6,683,194	\$ 6,988,767
Investments	19,442,870	18,334,467
Grants and pledges receivable	2,442,167	2,438,669
Accounts receivable	66,603	9,208
Prepaid expenses	379,051	161,033
Fixed assets, net of accumulated depreciation and amortization of \$203,724	776,957	597,294
Security deposit	87,003	87,003
Right-of-use asset, net	<u>3,928,626</u>	<u>4,240,608</u>
TOTAL ASSETS	<u>\$ 33,806,471</u>	<u>\$ 32,857,049</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 547,634	\$ 298,442
Accrued salaries and related benefits	240,175	245,193
Deferred revenue	12,000	-
Deferred compensation liability	838,721	817,642
Operating lease liability	<u>4,216,468</u>	<u>4,487,315</u>
Total liabilities	<u>5,854,998</u>	<u>5,848,592</u>

NET ASSETS

Without donor restrictions	9,153,469	10,552,110
With donor restrictions	<u>18,798,004</u>	<u>16,456,347</u>
Total net assets	<u>27,951,473</u>	<u>27,008,457</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 33,806,471</u>	<u>\$ 32,857,049</u>

**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, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<u>2024</u>			<u>2023</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUE AND SUPPORT				
Grants	\$ 130,932	\$ 7,089,494	\$ 7,220,426	\$ 12,278,006
Contributions	495,357	748,250	1,243,607	1,735,494
Special event, net of expenses of \$312,551	62,154	-	62,154	111,177
Interest and dividend income, net of fees	360,714	252,208	612,922	389,004
Contracts	55,000	-	55,000	32,274
Other income	26,711	-	26,711	50,155
Net assets released from restrictions	<u>8,106,207</u>	<u>(8,106,207)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>9,237,075</u>	<u>(16,255)</u>	<u>9,220,820</u>	<u>14,596,110</u>
EXPENSES				
Program Services:				
Health Justice	2,850,387	-	2,850,387	2,802,851
Economic Justice	2,122,744	-	2,122,744	2,175,535
Advocacy	1,132,894	-	1,132,894	670,152
Communications	1,475,361	-	1,475,361	1,129,059
Outreach, Member and Public Education	926,300	-	926,300	576,904
DEIA	<u>403,339</u>	<u>-</u>	<u>403,339</u>	<u>144,964</u>
Total program services	<u>8,911,025</u>	<u>-</u>	<u>8,911,025</u>	<u>7,499,465</u>
Supporting Services:				
Resource Development	1,742,831	-	1,742,831	1,855,646
General and Administrative	<u>708,406</u>	<u>-</u>	<u>708,406</u>	<u>826,171</u>
Total supporting services	<u>2,451,237</u>	<u>-</u>	<u>2,451,237</u>	<u>2,681,817</u>
Total expenses	<u>11,362,262</u>	<u>-</u>	<u>11,362,262</u>	<u>10,181,282</u>
Change in net assets before other items	(2,125,187)	(16,255)	(2,141,442)	4,414,828
OTHER ITEMS				
Realized and unrealized gain (loss) on investments	815,046	2,357,912	3,172,958	(1,742,405)
Extinguishment of debt	-	-	-	878,030
Provision for uncollected pledges	<u>(88,500)</u>	<u>-</u>	<u>(88,500)</u>	<u>(14,250)</u>
Change in net assets	(1,398,641)	2,341,657	943,016	3,536,203
Net assets at beginning of year	<u>10,552,110</u>	<u>16,456,347</u>	<u>27,008,457</u>	<u>23,472,254</u>
NET ASSETS AT END OF YEAR	<u>\$ 9,153,469</u>	<u>\$ 18,798,004</u>	<u>\$ 27,951,473</u>	<u>\$ 27,008,457</u>

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

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024							2023				
	Program Services							Supporting Services				
	Health Justice	Economic Justice	Congression al Relations and Social Impact	Communications	Outreach, Member and Public Education	DEIA	Total Program Services	Resource Development	General and Administrative	Total Supporting Services	Total Expenses	Total Expenses
Salaries and benefits	\$ 2,191,699	\$ 1,803,005	\$ 773,982	\$ 1,100,948	\$ 633,346	\$ 338,533	\$ 6,841,513	\$ 1,281,791	\$ 471,769	\$ 1,753,560	\$ 8,595,073	\$ 7,699,573
Contract services	389,831	117,328	248,660	139,103	61,723	3,856	960,501	199,656	27,744	227,400	1,187,901	900,500
Occupancy	121,545	101,775	42,196	63,317	36,117	17,383	382,333	68,000	125,076	193,076	575,409	569,383
Event expenses	175	146	1,539	91	802	25	2,778	322,847	180	323,027	325,805	263,260
Fees, dues and contributions	16,204	14,473	4,647	58,923	17,328	1,914	113,489	42,635	18,753	61,388	174,877	168,509
Travel	8,349	3,818	4,220	5,668	71,471	1,988	95,514	50,064	297	50,361	145,875	132,888
Meetings	3,764	21,128	16,774	1,464	77,803	459	121,392	10,175	1,733	11,908	133,300	159,510
Provision for uncollectible pledges	-	-	-	-	-	-	-	-	88,500	88,500	88,500	14,250
Staff development and recruitment	10,085	7,977	3,785	8,248	8,015	31,383	69,493	18,022	8,522	26,544	96,037	34,322
Depreciation and amortization	17,620	14,754	6,117	9,179	5,236	2,520	55,426	9,858	18,132	27,990	83,416	63,179
Subscriptions	1,669	1,880	20,350	36,053	308	179	60,439	2,897	579	3,476	63,915	70,248
Duplicating	39,212	5,053	682	475	1,575	36	47,033	10,959	258	11,217	58,250	55,447
Website, internet and television	2,543	9,747	883	36,101	756	364	50,394	1,452	2,617	4,069	54,463	39,885
Accounting	10,752	9,003	3,733	5,601	3,195	1,538	33,822	6,015	13,144	19,159	52,981	35,966
Office supplies	8,120	6,419	2,739	3,993	2,315	1,096	24,682	5,066	7,887	12,953	37,635	56,900
Honorarium	20,856	88	37	55	31	1,015	22,082	59	109	168	22,250	140,517
Postage and courier	1,696	902	374	561	1,575	154	5,262	14,985	1,109	16,094	21,356	16,247
Legal	2,185	1,830	759	1,138	649	313	6,874	1,223	6,297	7,520	14,394	17,955
Telecommunication	2,611	2,186	906	2,357	776	373	9,209	1,478	2,686	4,164	13,373	12,417
Mailings	-	-	-	1,320	2,836	-	4,156	7,377	-	7,377	11,533	28,318
Insurance	1,471	1,232	511	766	437	210	4,627	823	1,514	2,337	6,964	11,974
Miscellaneous	-	-	-	-	6	-	6	-	-	-	6	2,000
Subtotal	2,850,387	2,122,744	1,132,894	1,475,361	926,300	403,339	8,911,025	2,055,382	796,906	2,852,288	11,763,313	10,493,248
Less: Provision for uncollectible pledges included in other items in the statement of activities	-	-	-	-	-	-	-	-	(88,500)	(88,500)	(88,500)	(14,250)
Less: Special event expenses included with revenues in the statement of activities	-	-	-	-	-	-	-	(312,551)	-	(312,551)	(312,551)	(297,716)
TOTAL EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES	\$ 2,850,387	\$ 2,122,744	\$ 1,132,894	\$ 1,475,361	\$ 926,300	\$ 403,339	\$ 8,911,025	\$ 1,742,831	\$ 708,406	\$ 2,451,237	\$ 11,362,262	\$ 10,181,282

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, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 943,016	\$ 3,536,203
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	83,416	63,179
Receipt of donated securities	(75,326)	(12,636)
Proceeds from the sales of donated securities	74,987	12,792
Change in discount on grants and pledges receivable	(13,750)	12,798
Realized and unrealized (gain) loss on investments	(3,172,958)	1,742,405
Extinguishment of debt	-	(878,030)
Provision for uncollected pledges	(88,500)	(14,250)
Amortization of right-of-use asset	311,982	274,528
Decrease (increase) in:		
Grants and pledges receivable	98,752	(1,429,677)
Accounts receivable	(57,395)	171,065
Prepaid expenses	(218,018)	58,479
Security deposit	-	64,224
Increase (decrease) in:		
Accounts payable and accrued liabilities	249,192	200,039
Accrued salaries and related benefits	(5,018)	(52,480)
Deferred revenue	12,000	-
Deferred compensation liability	21,079	(75,954)
Deferred rent	-	(5,454)
Operating lease liability	<u>(270,847)</u>	<u>(27,821)</u>
Net cash (used) provided by operating activities	<u>(2,107,388)</u>	<u>3,639,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(263,079)	(531,612)
Net proceeds from sales of investments	<u>2,064,894</u>	<u>735,016</u>
Net cash provided by investing activities	<u>1,801,815</u>	<u>203,404</u>
Net (decrease) increase in cash and cash equivalents	(305,573)	3,842,814
Cash and cash equivalents at beginning of year	<u>6,988,767</u>	<u>3,145,953</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,683,194</u>	<u>\$ 6,988,767</u>
SCHEDULE OF NON-CASH FINANCING ACTIVITIES		
Right-of-Use Asset	<u>\$ -</u>	<u>\$ 4,515,136</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ -</u>	<u>\$ 4,472,642</u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS
MARCH 31, 2024**

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.

Program Services -

Health Justice -

We strive to improve women's health and make quality health care more available and affordable for all women and families. We develop and disseminate information about important health issues affecting women and families, including maternal health care and the maternal mortality crisis, health equity, health systems transformations, and abortion rights and reproductive freedom. We build coalitions with other advocates, work with employers, and assist policymakers in efforts to protect and advance women's health.

Economic Justice -

We strive to achieve fairness in the workplace and promote public policies to help women and men at all income levels meet the dual demands of work and family. We conduct public education campaigns on a range of issues involving women, work, and family, such as paid family and medical leave, paid sick leave, equal pay, pregnancy discrimination and other forms of job discrimination. We provide information and assistance to other advocates and policymakers around the country and work with them to develop solutions to pressing problems.

Congressional Relations and Social Impact -

We advocate at the federal, state, and local levels for policies that advance issues such as equal pay, paid leave, and expanding access to affordable health care that provides abortion and reproductive care. We promote corporate engagement for social impact, including the organization's business working group — which brings together employers to facilitate dialogue around strengthening gender equity in the workplace. We combine staff's expertise with policy-making process and leverage relationships in the business and advocacy communities to bridge knowledge gaps and facilitate communication and coordination around shared policy goals.

Communications -

We strive to increase the public's understanding of key issues affecting women and families and the public and private policies that could improve their lives. We provide information to millions of people through the organization's website, social media accounts, publications, and polling. We facilitate speaking engagements and media interviews of partnership staff and ensure that national partnership supporters around the country have the necessary information and tools to make their voices heard in important public debates.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS
MARCH 31, 2024**

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

Program Services (continued) -

Outreach, Member and Public Education -

We elevated the profile and thought leadership of NPWF President Jocelyn Frye by supporting Frye in conducting policy research on priority issues, drafting briefs and opinion pieces, and preparing for speaking appearances. We amplified awareness of NPWF's impact among supporters and members of the general public by formulating and disseminating materials such as newsletters and annual reports that outline the breadth and depth of organization's work across all teams and issue areas.

Diversity, Equity, Inclusion, and Anti-racism (DEIA) -

We maintained the ongoing process to evolve the national partnership into an anti-racist organization that centers the experiences and priorities of women of color and their families, to ensure that the organization's work environment is responsive to the diverse needs of all staff and reflects an understanding of the diverse experiences of all women. We work to integrate an intersectional, racial equity lens in all of the partnership's work, both externally and internally, and more effectively combat racism, sexism, and other forms of discrimination and hatred. We developed a workplace culture to support all staff, particularly those who hold intersecting, marginalized identities.

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 accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. 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". Net assets set aside 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 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.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS
MARCH 31, 2024**

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

Basis of presentation (continued) -

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, 2023, from which the summarized information was derived.

New accounting pronouncement adopted -

Accounting Standards 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. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

Financial assets held by the National Partnership that are subject to the guidance in FASB ASC 326 are accounts receivable. The National Partnership implemented the ASU on April 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

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 \$427,547. 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 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 in the Combined Statement of Activities and Change in Net Assets.

Receivables -

Accounts receivable primarily consists of amounts due within one year related to program service revenue and other revenue. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. However, no allowance for credit losses was deemed necessary as of March 31, 2024.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS
MARCH 31, 2024**

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

Receivables (continued) -

Grants and pledges receivable include unconditional promises to give that are expected to be collected in future years. Grants and pledges receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants and pledges receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions.

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 lesser of the useful life of the asset or the remaining life term of the lease. The cost of maintenance and repairs is recorded as expenses when incurred. Depreciation and amortization expense totaled \$83,416 for the year ended March 31, 2024.

Revenue recognition -

Support from contributions and grants -

Contributions and grants include annual fund contributions and support for special events, which is equal to the net amount of special events presented in the Combined Statement of Activities and Change in Net Assets. Contributions and grants are recognized in the appropriate category of net assets in the period received. The National Partnership performs an analysis of the individual contribution or grant agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions and grants is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but 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. Contributions and grants with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions and grants that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions and grants contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions and grants received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the National Partnership had no refundable advances as of March 31, 2024.

In addition, National Partnership may obtain funding source agreements related to conditional contributions and grants, which will be received in future years. However, the National Partnership had no conditional contributions and grants to be received in future years as of March 31, 2024.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS
MARCH 31, 2024**

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

Revenue recognition (continued) -

Revenue from contracts with customers -

The National Partnership's special event revenue and contracts revenue are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met.

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. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The National Partnership's contracts with customers generally have initial terms of one year or less.

Special event revenue has elements of both exchange transaction revenue and support from contributions. Special events revenue includes ticket sales and sponsorships. The portion of special events revenue that provides a benefit to the donor in return is based on the cost of those performance obligations. As such, special events revenue is presented net of related event expenses totaling \$312,551 as of March 31, 2024.

For the exchange transaction portion of special events revenue, the performance obligation is met when the event occurs.

Contracts revenue is recorded over the period of time that the performance obligations are met.

Income taxes -

The National Partnership for Women & Families is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

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

Advertising -

The National Partnership expenses advertising costs as incurred. Advertising costs were \$26,265 and are included within Contract services in the accompanying Combined Statement of Functional Expenses for the year ended March 31, 2024. Approximately \$7,275 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.

**NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND
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**NOTES TO COMBINED FINANCIAL STATEMENTS
MARCH 31, 2024**

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

Functional allocation of expenses -

The costs of providing the National Partnership's programs and supporting services 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 are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on actual time and effort.

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.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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.

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 and there were no transfers between levels in the fair value hierarchy during the year ended March 31, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

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**NOTES TO COMBINED FINANCIAL STATEMENTS
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2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

- *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 investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of March 31, 2024.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Equities	\$ 14,363,540	\$ -	\$ -	\$ 14,363,540
Fixed income	<u>4,240,609</u>	<u>-</u>	<u>-</u>	<u>4,240,609</u>
TOTAL INVESTMENTS	<u>\$ 18,604,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,604,149</u>
Deferred Compensation				
Investments:				
Money market funds	\$ 427,547	\$ -	\$ -	\$ 427,547
Equities	175,598	-	-	175,598
Fixed income	<u>235,576</u>	<u>-</u>	<u>-</u>	<u>235,576</u>
TOTAL DEFERRED COMPENSATION INVESTMENTS	<u>\$ 838,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 838,721</u>
TOTAL	<u>\$ 19,442,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,442,870</u>

The following is a summary of interest and dividend income and the realized and unrealized gain on investments for the year ended March 31, 2024:

Interest and dividends	\$ 391,000
Interest from sweep and money market accounts	273,536
Investment expenses provided by external investment advisors	<u>(51,614)</u>
TOTAL INTEREST AND DIVIDEND INCOME, NET OF FEES	<u>\$ 612,922</u>
REALIZED AND UNREALIZED GAIN ON INVESTMENTS	<u>\$ 3,172,958</u>

3. GRANTS AND PLEDGES RECEIVABLE

All grants and pledges have been deemed fully collectible; therefore, an allowance for uncollectable pledges has not been established. No discount has been recorded on grants and pledges due in more than one year due to immateriality. Grants and pledges are due as follows at March 31, 2024:

Less than one year	\$ 2,303,162
One to five years	<u>139,005</u>
GRANTS AND PLEDGES RECEIVABLE, NET	<u>\$ 2,442,167</u>

**NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND
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**NOTES TO COMBINED FINANCIAL STATEMENTS
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4. FIXED ASSETS

Fixed assets consisted of the following at March 31, 2024:

	Cost	Accumulated Depreciation and Amortization	Book Value
Furniture and equipment	\$ 219,384	\$ 117,931	\$ 101,453
Leasehold improvements	213,643	35,607	178,036
Software	547,654	50,186	497,468
TOTAL FIXED ASSETS	\$ 980,681	\$ 203,724	\$ 776,957

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2024:

Subject to expenditure for specified purpose:	
Health Justice	\$ 3,566,628
Economic Justice	318,950
Subject to passage of time:	
General Support	857,763
Total purpose and time restricted	4,743,341
Endowment to be invested in perpetuity	14,054,663
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 18,798,004

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended March 31, 2024:

Purpose restrictions accomplished:	
Health Justice	\$ 1,724,176
Economic Justice	897,479
Expiration of time restrictions:	
General Support	3,911,785
Accumulated earnings from endowments authorized for spending	1,572,767
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ 8,106,207

**NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES AND
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**NOTES TO COMBINED FINANCIAL STATEMENTS
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6. LIQUIDITY AND AVAILABILITY

Financial assets available for use within one year of the Combined Statement of Financial Position date were comprised of the following as of March 31, 2024:

Cash and cash equivalents	\$ 6,683,194
Investments	19,442,870
Grants and pledges receivable due within one year	2,303,162
Accounts receivable	<u>66,603</u>
Total financial assets	28,495,829
Less: Financial assets unavailable for expenditure within one year due to:	
Donor imposed restrictions	(3,885,578)
Investments in perpetuity	<u>(14,054,663)</u>

FINANCIAL ASSETS AVAILABLE FOR EXPENDITURE WITHIN ONE YEAR \$ 10,555,588

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.

7. LEASE COMMITMENT

The National Partnership follows FASB ASC 842 for leases. The National Partnership has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The National Partnership has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

The National Partnership has an operating lease for office space in Washington, D.C. that expires in May 2033. The office lease includes an annual escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. As of March 31, 2024, the remaining lease term and discount rate for the operating leases is 9 years and 6%, respectively. For the year ended March 31, 2024, total lease cost was \$573,951 and total cash paid was \$576,263.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of March 31, 2024:

<u>Year Ending March 31,</u>	
2025	\$ 546,174
2026	559,845
2027	573,842
2028	588,188
2029	602,892
Thereafter	<u>2,677,716</u>
	5,548,657
Less: Imputed Interest	<u>(1,332,189)</u>
	4,216,468
Less: Current Portion	<u>(301,327)</u>
LONG-TERM PORTION	\$ <u>3,915,141</u>

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8. DEFERRED COMPENSATION PLAN

The National Partnership maintains a deferred compensation retirement plan under Section 457(b) of the Internal Revenue Code. Investments held for deferred compensation and the corresponding deferred compensation liability totaled \$838,721 as of March 31, 2024. Investments held for deferred compensation consisted entirely of money market funds, equities and fixed income as of March 31, 2024. 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.

9. 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 \$344,649 for the year ended March 31, 2024 and is included in salaries and benefits in the accompanying Combined Statement of Functional Expenses.

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.

10. 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.

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.

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.

Interpretation of relevant law -

The National Partnership has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the as requiring the preservation of the fair value of the original gift made to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

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10. ENDOWMENT (Continued)

Interpretation of relevant law (continued) -

As a result, of this interpretation, National Partnership classifies as net assets with donor restrictions: (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.

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 funds consisted of the following as of March 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Available for Appropriation</u>	<u>Held in Perpetuity</u>	
Donor Restricted Funds	\$ <u>-</u>	\$ <u>-</u>	\$ <u>14,054,663</u>	\$ <u>14,054,663</u>

Changes in endowment funds consisted of the following as of and for the year ended March 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Available for Appropriation</u>	<u>Held in Perpetuity</u>	
Endowment net assets, beginning of year	\$ -	\$ (1,037,353)	\$ 14,054,663	\$ 13,017,310
Interest and dividends, net	-	252,208	-	252,208
Realized and unrealized gain on investments	-	2,357,912	-	2,357,912
Appropriations	<u>-</u>	<u>(1,572,767)</u>	<u>-</u>	<u>(1,572,767)</u>
ENDOWMENT FUNDS, END OF YEAR	\$ <u>-</u>	\$ <u>-</u>	\$ <u>14,054,663</u>	\$ <u>14,054,663</u>

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.

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**NOTES TO COMBINED FINANCIAL STATEMENTS
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10. ENDOWMENT (Continued)

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. However, the policy permits the Board to spend up to 100% of any increase over the original value of the fund, which has been elected by the Board each year.

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.

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 National Partnership to maintain as a fund of perpetual duration. However, there were no funds with deficiencies as of March 31, 2024.

11. 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, 2024, the Action Fund earned \$404,000 in revenue and incurred \$19,646 in expenses, resulting in an increase in net assets of \$384,354.

12. SUBSEQUENT EVENTS

In preparing these combined financial statements, the National Partnership has evaluated events and transactions for potential recognition or disclosure through November 14, 2024, the date the combined financial statements were issued.