

NATIONAL NETWORK OF ABORTION FUNDS
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



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**NATIONAL NETWORK OF ABORTION FUNDS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
National Network of Abortion Funds
Boston, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of National Network of Abortion Funds (NNAF), a nonprofit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Network of Abortion Funds as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Network of Abortion Funds and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Network of Abortion Funds' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Network of Abortion Funds' 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
April 26, 2024

**NATIONAL NETWORK OF ABORTION FUNDS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 44,339,100	\$ 27,355,290
Contributions and Grants Receivable, Net	12,118,367	18,239,230
Investments	1,511,490	1,361,237
Certificates of Deposit	8,982,510	-
Prepaid Expenses and Other Assets	427,894	228,325
Property and Equipment, Net	3,011	9,030
Software, Net	392,210	499,209
	\$ 67,774,582	\$ 47,692,321
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 9,972,080	\$ 6,331,945
NET ASSETS		
Without Donor Restrictions	40,747,562	19,333,439
With Donor Restrictions	17,054,940	22,026,937
Total Net Assets	57,802,502	41,360,376
	\$ 67,774,582	\$ 47,692,321

See accompanying Notes to Financial Statements.

**NATIONAL NETWORK OF ABORTION FUNDS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Grants and Contracts	\$ 1,269,568	\$ 12,745,185	\$ 14,014,753
Contributions	32,578,222	-	32,578,222
Membership Dues	107,626	-	107,626
Other Income	80,266	-	80,266
Special Events, Net:			
Gross Special Events Revenue Raised	1,815,936	-	1,815,936
Less: Contributions to Pass-Through Funds	(1,814,139)	-	(1,814,139)
Investment Income, Net	946,091	-	946,091
Net Assets Released from Restriction	17,717,182	(17,717,182)	-
Total Revenue, Support, and Gains	52,700,752	(4,971,997)	47,728,755
 EXPENSES AND LOSSES			
Program Services Expense	23,344,369	-	23,344,369
Fundraising and Development	2,011,705	-	2,011,705
Management and General	5,930,555	-	5,930,555
Total Expenses and Losses	31,286,629	-	31,286,629
 CHANGE IN NET ASSETS	21,414,123	(4,971,997)	16,442,126
Net Assets - Beginning of Year	19,333,439	22,026,937	41,360,376
 NET ASSETS - END OF YEAR	\$ 40,747,562	\$ 17,054,940	\$ 57,802,502

See accompanying Notes to Financial Statements.

**NATIONAL NETWORK OF ABORTION FUNDS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Grants and Contracts	\$ 2,637,563	\$ 32,988,724	\$ 35,626,287
Contributions	15,720,793	-	15,720,793
Membership Dues	277,201	-	277,201
Other Income	133,346	-	133,346
Special Events, net			
Gross Special Events Revenue	2,112,509	-	2,112,509
Less: Contributions to Pass-Through Funds	(2,112,509)	-	(2,112,509)
Investment Income (Losses), Net	(223,612)	-	(223,612)
Net Assets Released from Restriction	16,097,055	(16,097,055)	-
Total Revenue, Support, and Gains	34,642,346	16,891,669	51,534,015
 EXPENSES			
Program Services Expense	15,461,568	-	15,461,568
Fundraising and Development	2,733,847	-	2,733,847
Management and General	4,560,880	-	4,560,880
Total Expenses	22,756,295	-	22,756,295
 CHANGE IN NET ASSETS	11,886,051	16,891,669	28,777,720
Net Assets - Beginning of Year	7,447,388	5,135,268	12,582,656
 NET ASSETS - END OF YEAR	\$ 19,333,439	\$ 22,026,937	\$ 41,360,376

See accompanying Notes to Financial Statements.

**NATIONAL NETWORK OF ABORTION FUNDS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>	<u>Fundraising and Development</u>	<u>Management and General</u>	<u>Total</u>
EMPLOYEE COMPENSATION AND RELATED COSTS				
Salaries and Wages	\$ 2,575,820	\$ 1,818,582	\$ 2,518,171	\$ 6,912,573
Payroll Taxes	229,776	162,226	198,511	590,513
Employee Benefits	569,425	402,026	491,945	1,463,396
Total Employee Compensation and Related Costs	<u>3,375,021</u>	<u>2,382,834</u>	<u>3,208,627</u>	<u>8,966,482</u>
OTHER EXPENSES				
Depreciation and Amortization	-	-	113,018	113,018
Insurance	201	-	30,840	31,041
Merchandising Expenses	198,188	85,493	-	283,681
Occupancy Costs	-	-	160,002	160,002
Office Supplies, Fees and Expenses	22,471	40,392	146,750	209,613
Other Personnel Expenses	-	-	231,323	231,323
Professional Development, Consulting, and Other	855,164	1,149,538	1,508,579	3,513,281
Program Direct Assistance	18,282,785	-	41,895	18,324,680
Telecommunications, Website, and Publications	212,153	161,076	412,568	785,797
Travel and Meetings	398,386	6,511	76,953	481,850
Total Other Expenses	<u>19,969,348</u>	<u>1,443,010</u>	<u>2,721,928</u>	<u>24,134,286</u>
Less: Expenses Netted Against Revenues on Statement of Activities:				
Special Event Expenses	<u>-</u>	<u>(1,814,139)</u>	<u>-</u>	<u>(1,814,139)</u>
Total Expenses	<u>\$ 23,344,369</u>	<u>\$ 2,011,705</u>	<u>\$ 5,930,555</u>	<u>\$ 31,286,629</u>

See accompanying Notes to Financial Statements.

**NATIONAL NETWORK OF ABORTION FUNDS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	<u>Program Services</u>	<u>Fundraising and Development</u>	<u>Management and General</u>	<u>Total</u>
EMPLOYEE COMPENSATION AND RELATED COSTS				
Salaries and Wages	\$ 2,396,462	\$ 883,839	\$ 2,679,374	\$ 5,959,675
Payroll Taxes	171,855	63,382	192,143	427,380
Employee Benefits	611,470	225,516	683,657	1,520,643
Total Employee Compensation and Related Costs	<u>3,179,787</u>	<u>1,172,737</u>	<u>3,555,174</u>	<u>7,907,698</u>
OTHER EXPENSES				
Depreciation and Amortization	-	-	35,967	35,967
Insurance	-	-	26,253	26,253
Merchandising Expenses	26,589	63,030	-	89,619
Occupancy Costs	-	78	177,517	177,595
Office Supplies, Fees and Expenses	52,582	530,636	111,295	694,513
Other Personnel Expenses	-	23	1,259	1,282
Professional Development, Consulting, and	1,060,160	162,638	435,571	1,658,369
Program Direct Assistance	11,120,224	2,858,759	-	13,978,983
Telecommunications, Website and Publications	10,686	56,437	197,384	264,507
Travel and Meetings	11,540	2,018	20,460	34,018
Total Other Expenses	<u>12,281,781</u>	<u>3,673,619</u>	<u>1,005,706</u>	<u>16,961,106</u>
Less: Expenses Netted Against Revenues on Statement of Activities:	-		-	
Special Event Expenses		<u>(2,112,509)</u>		<u>(2,112,509)</u>
Total Expenses	<u>\$ 15,461,568</u>	<u>\$ 2,733,847</u>	<u>\$ 4,560,880</u>	<u>\$ 22,756,295</u>

See accompanying Notes to Financial Statements.

**NATIONAL NETWORK OF ABORTION FUNDS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 16,442,126	\$ 28,777,720
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	113,018	35,967
Realized and Unrealized (Gain) Loss on Operating Investments	(126,622)	185,252
Decrease (Increase) in Operating Assets and Liabilities		
Contributions and Grants Receivable	6,120,863	(16,544,490)
Prepaid Expenses and Other Assets	(199,569)	(50,210)
Accounts Payable and Accrued Expenses	3,640,135	4,498,396
Net Cash Provided by Operating Activities	25,989,951	16,902,635
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Equipment, and Software	-	(482,766)
Net Proceeds from Operating Investments	5,259,746	3,934,130
Purchases of Operating Investments and Certificates of Deposit	(14,265,887)	(1,373,035)
Net Cash Provided (Used) by Investing Activities	(9,006,141)	2,078,329
NET CHANGE IN CASH AND CASH EQUIVALENTS	16,983,810	18,980,964
Cash and Cash Equivalents - Beginning of Year	27,355,290	8,374,326
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 44,339,100	\$ 27,355,290

See accompanying Notes to Financial Statements.

**NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

National Network of Abortion Funds (the Organization) is a nonprofit corporation organized and incorporated in 1994. The Organization was created to facilitate networking to provide support and technical assistance to local abortion funds belonging to the Organization. The Organization builds power with members to remove financial and logistical barriers to abortion access by centering people who have abortions and organizing at the intersections of racial, economic, and reproductive justice. In addition, the Organization facilitates creation of new abortion funds and works in national coalitions on issues of abortion access.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with reporting principles generally accepted in the United States of America (GAAP) as defined by Professional Standards.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions used for operations represent the ongoing activity of the Organization, exclusive of certain activities designated by the board. The Board may designate funds without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, that may or will be met either by actions of the Organization and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of financial reporting, the Organization considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of Deposit

Certificates of deposit are presented at cost. The Organization has 36 certificates of deposit at different institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). The certificates of deposit mature at various times through June 2023.

Contributions and Grants Receivable

Contributions and grants receivable are recorded at the present value of future cash flows. Pledges and grants are typically due within one year or less, for which their net realizable value is a reasonable estimate of fair value; any pledges due in more than one year are reviewed by management for a discount. As of June 30, 2023 and 2022, the discount on contributions and grants receivable totaled \$31,591 and \$278,468, respectively.

On a periodic basis, the Organization evaluates its contributions and grants receivable and establishes an allowance for doubtful accounts. The allowance is based on the prior years' experience and management's analysis of specific pledges and grants made. Contributions and grants receivable are considered past due based on the pledge or grant date and are written off when management believes amounts will not be collected. Management does not believe an allowance was required at June 30, 2023 and 2022, based on review of receivables.

Investments and Investment Income and Gains

The Organization follows the not-for-profit subtopic of the FASB Accounting Standards Codification with respect to investments, and under this subtopic, investments in marketable equity and fixed income securities with readily determinable fair values are stated at fair value in the statement of financial position. Investment income or loss (including realized gains and losses on investments, interest, and dividends) are included in increase (decrease) in net assets.

Fair Value

Accounting standards provide a common definition of fair value and establishes a framework to make the measurement of fair value in GAAP more consistent and comparable.

Accounting standards also require expanded disclosures to provide information about the extent to which fair value is used to measure certain financial assets and liabilities, the methods, and assumptions used to measure fair value, and the effect of fair value measures on earnings. The Organization's financial assets reflected in the financial statements at fair value include its investments (see Note 11).

Property and Equipment

Purchased property and equipment is capitalized at cost. The Organization capitalizes property and equipment with a purchased cost or donated fair value of \$5,000 and greater. Property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method over a three to seven year. Donations of property and equipment are recorded as contributions at their estimated fair value. Absent explicit donor stipulation about how long those assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

**NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the change in net assets for the period. The carrying value is reviewed for impairment if events or circumstance indicate the remaining carrying value may not be recoverable. There were no indicators of impairment noted by management in 2023 or 2022.

Computer Software

Computer software and costs related to website development are capitalized at cost and amortized over a useful life of five years. The carrying value is reviewed for impairment if events or circumstance indicate the remaining carrying value may not be recoverable. There were no indicators of impairment noted by management in 2023 or 2022.

Revenue Recognition

Contributions and grants, including unconditional promises to give, are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

Any funding source may, at its discretion, request reimbursement for expenses or return of funds or both, as a result of noncompliance by the Organization with the terms of the grant. Funding sources may also request return of unexpended funds if stated in the terms of the grant. As of June 30, 2023 and 2022, no funding sources had requested the return of any funds.

To determine revenue recognition for the arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligation(s) in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation(s) in the contract, and (5) recognize revenue when the Organization satisfies a performance obligation.

The Organization's revenue within the scope of Topic 606 includes merchandise sales of \$62,275 and \$116,152 for 2023 and 2022, respectively, in Other Income, and membership dues of \$107,626 and \$277,201 for 2023 and 2022, respectively. Revenue is recognized as the services or sales occur over time. Any amounts collected prior to the revenue being recognized is included in deferred revenue. There was no deferred revenue, contract liabilities or contract receivables related to exchange revenue during 2023 or 2022.

The Organization's revenue from special events includes contributions from donors during an annual fundraising event, which allows donors to specify funds for contributions to be passed through to. There is no direct benefit to the donor. Revenue is recognized when conditions and/or barriers are met and passed through to fund recipients.

**NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and In-Kind Contributions

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program gift solicitations, and various committee assignments. The value of this contributed time and service is not reflected in these statements since it is not susceptible to objective measurement or valuation. No significant contributions of services or contributed goods services were received during the years ended June 30, 2023 and 2022.

Contributed Stock

The Organization's policy is to liquidate stock immediately upon receipt. The policy is communicated to the potential donor of the stock. An investment account is maintained with a minimum balance of cash or stock as required to facilitate the donation and liquidation. Proceeds from the sale of the stock are considered as an increase in contributions without donor restrictions, unless the donor has imposed a restriction as a condition of the gift, in which case procedures for accounting for contributions with donor restrictions will be followed. Stock contributions, included in Contributions in the statements of activities, totaled \$11,585,607 and \$9,519,014 for the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of providing program activities and other services have been summarized on a functional basis. Expenses associated with a particular program are charged directly to that program. Indirect expenses consisting of payroll and related expenses and depreciation are allocated based upon management's estimate of time incurred and usage of space. Management and general expenses include those expenses that are not directly identifiable with any other specific program but are for the overall support and direction of the Organization.

Income Taxes

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes. No provision has been made for income taxes in the accompanying financial statements as the Organization has had no unrelated business income.

The Organization has not taken any tax positions which would have a material effect, individually or in the aggregate, upon the Organization's financial statements. The Organization believes it has not taken any significant uncertain tax positions or any tax positions that would jeopardize the Organization's tax-exempt status. The Organization files tax forms in the United States federal and state jurisdictions and is no longer subject to examinations by tax authorities for years before June 30, 2020.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$16,395 and \$18,620 during the years ended June 30, 2023 and 2022, respectively.

**NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

We have evaluated subsequent events through April 26, 2024, the date the financial statements were available to be issued.

Change in Accounting Principle

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization did not have any leases within the scope of ASC 842, and therefore the standard was not implemented in 2023.

NOTE 2 GRANTS AND CONTRIBUTIONS RECEIVABLE

Contributions and grants receivable are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Within One Year	\$ 10,649,958	\$ 9,005,090
In One to Five Years	1,500,000	9,512,608
Total	<u>12,149,958</u>	<u>18,517,698</u>
Less: Present Value Discount	(31,591)	(278,468)
Total	<u>\$ 12,118,367</u>	<u>\$ 18,239,230</u>

Contributions and grants receivable are discounted using the average short-term applicable federal rate at year-end.

NOTE 3 INVESTMENTS

The board, as the governing authority, is responsible for oversight of the Organization's investments, including the establishment of investment guidelines and the selection of investment managers. Investments authorized by the board include high quality, readily marketable equity and fixed income securities; other types of investments may be made with the approval of the board. The Organization maintains policies and procedures to value instruments using the best and most relevant data available.

NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3 INVESTMENTS (CONTINUED)

The following schedule summarizes the Organization's investments as of June 30:

	<u>2023</u>	<u>2022</u>
Mutual Funds, Cost	\$ 1,195,615	\$ 1,172,789
Unrealized Gains	315,875	188,448
Mutual Funds, Market Value	<u>\$ 1,511,490</u>	<u>\$ 1,361,237</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 104,032	\$ 104,032
Less: Accumulated Depreciation and Amortization	(101,021)	(95,002)
Total Property and Equipment	<u>\$ 3,011</u>	<u>\$ 9,030</u>

Depreciation expense on equipment totaled \$6,019 and \$25,186 for the years ended June 30, 2023 and 2022, respectively.

NOTE 5 WEBSITE DEVELOPMENT COSTS

Website development costs consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Computer Software	\$ 617,751	\$ 617,751
Less: Accumulated Amortization	(225,541)	(118,542)
Total Software	<u>\$ 392,210</u>	<u>\$ 499,209</u>

Amortization expense for website development costs totaled \$106,999 and \$10,781 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6 CREDIT CARD LINE OF CREDIT

The Organization has a revolving credit card account with a maximum \$200,000 limit available for all card holders combined. The credit card balances are payable on demand, with interest due monthly on the then outstanding balance. As of June 30, 2023 and 2022, there was no outstanding balance on the credit card.

**NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Board-Designated Net Assets

The board of the Organization has established the following board-designated funds:

Operating Reserve Fund

The board established an Operating Reserve Fund, with a goal of reserving for six months of operating expenses, in order to support the working capital and liquidity needs of the Organization. The Operating Reserve Fund can be utilized at the discretion of the executive staff of the Organization without board approval and is classified with net assets without donor restrictions. The board approved Operating Reserve Fund totaled \$5,391,752 as of June 30, 2023 and 2022, respectively.

Rainy Day Fund

The Rainy Day Fund was established by the board with the intention of providing the Organization with an internal source of funding to navigate unexpected challenges that could temporarily disrupt the finances of current programs and operations. No amounts were designated by the board to this fund as of June 30, 2023 or 2022.

Special Opportunity Fund

The Special Opportunity Fund is intended to provide the Organization with an internal source of funding to pursue new strategic opportunities or new programs. There were no amounts designated by the board to this fund as of June 30, 2023 or 2022.

Net Assets With Donor Restrictions

The Organization has various sources of donor-restricted funds. Net assets with donor restrictions consisted of the following as of June 30:

	2023	2022
Net Assets with Donor Restrictions		
Collective Power Fund	\$ 1,366,114	\$ 1,560,614
Emergency Relief Fund	428,154	438,154
Other Programmatic Restrictions	310,703	575,286
Time Restricted Funds	14,949,969	19,452,883
Total Net Assets with Donor Restrictions	\$ 17,054,940	\$ 22,026,937

Net assets with donor restrictions were released from donor restrictions during the years ended June 30 as follows:

	2023	2022
Net Assets Released from Restrictions		
Collective Power Fund	\$ 1,007,000	\$ 827,500
Emergency Relief Fund	18,685	920,778
Other Programmatic Restrictions	2,414,583	3,956,182
Time Restricted Funds	14,276,914	10,392,595
Total Net Assets Released from Restrictions	\$ 17,717,182	\$ 16,097,055

NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 RETIREMENT BENEFIT

The Organization participates in a 401(k) retirement plan through Lincoln Financial Group which covers all regular full-time employees. Under this Plan, the Organization matches 50% of the participating employee's contribution, but no more than 5% of their annual compensation. For the years ended June 30, 2023 and 2022, the Organization contributed \$477,398 and \$149,229, respectively.

NOTE 9 RELATED PARTY TRANSACTIONS

From time to time, members of the board will make monetary donations to the Organization, as well as donating substantial time assisting the Organization with strategic planning, program implementation, and fundraising.

NOTE 10 CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances with a financial institution and attempts to limit the amount of credit exposure. At times, the Organization's cash balance may temporarily exceed the Federal Deposit Insurance Corporation insurance limits. The Organization has not experienced any losses on its accounts and monitors the creditworthiness of the financial institution with which it conducts business. Management believes the Organization is not exposed to any significant concentration of credit risk on cash.

The Organization also holds various investments. Investments are subject to credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Organization has an investment policy and utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

NOTE 11 FAIR VALUE MEASUREMENTS

Accounting standards require that financial and nonfinancial assets and liabilities recognized or disclosed in the financial statements on a recurring basis (at least annually), be measured at fair value. These standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

**NATIONAL NETWORK OF ABORTION FUNDS
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NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The Organization categorize its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. 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 in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any, related market activity.

The assets or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 and Level 3 inputs are only used when higher-level inputs are not available.

The basis for determining the fair value of investments is the readily determinable sales price or current exchange rate of the investments based on prices or quotations for over-the-counter markets. In the case of mutual funds, the fair value is determined as the number of units held in the fund multiplied by the price per unit share as quoted.

Assets measured at fair value on a recurring basis were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>June 30, 2023</u>				
Mutual Funds	<u>\$ 1,511,490</u>	<u>\$ 1,511,490</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>June 30, 2022</u>				
Mutual Funds	<u>\$ 1,361,237</u>	<u>\$ 1,361,237</u>	<u>\$ -</u>	<u>\$ -</u>

NATIONAL NETWORK OF ABORTION FUNDS
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with others, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the report date.

There were no changes in the valuation techniques and related inputs at June 30, 2023 and 2022. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels for the years ended June 30, 2023 and 2022.

NOTE 12 AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The following represents the Organization's financial assets at June 30:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 44,339,100	\$ 27,355,290
Contributions and Grants Receivable, Net	12,118,367	18,239,230
Certificates of Deposit	8,982,510	-
Investments	<u>1,511,490</u>	<u>1,361,237</u>
Total Financial Assets	66,951,467	46,955,757
Less Amounts Not Available to be Used Within One Year:		
Net Assets With Donor Restrictions - Programmatic	(2,104,971)	(2,574,054)
Net Assets With Donor Restrictions - Time Restricted	(3,117,500)	(1,000,000)
Board Designated Reserves	(5,391,751)	(5,391,751)
Long-Term Receivables, Net of Discount	<u>(1,468,409)</u>	<u>(9,234,140)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 54,868,836</u>	<u>\$ 28,755,812</u>

In addition to these financial assets, the Organization has access to a credit line, as described in Note 6, and a board designated operating reserve, described in Note 7, which are intended to provide financial stability for the Organization.