FINANCIAL STATEMENTS

National WIC Association

FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

NATIONAL WIC ASSOCIATION

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National WIC Association
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the National WIC Association (the Association), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 the Association as of December 31, 2022, and the 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 Financial Statements section of our report. We are required to be independent of the Association 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 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 the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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. 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 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 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 the Association'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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

The prior year summarized comparative information has been derived from the Association's 2021 financial statements, which were audited by other auditors and, in their report dated November 10, 2022, they expressed an unmodified opinion on those statements.

Gelman Rosenberg & Freedman

February 27, 2024

NATIONAL WIC ASSOCIATION

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 670,515	$ 778,463
Investments	5,000,381	7,552,351
Accounts receivable	467,548	340,744
Grants receivable	1,978,100	-
Prepaid expenses	118,751	86,514
Security and other deposits	2,667	2,667
Total current assets	8,237,962	8,760,739
Fixed assets, net of accumulated depreciation and amortization of $280,652	31,168	46,753
NONCURRENT ASSETS		
Grants receivable, net of current portion	250,000	-
TOTAL ASSETS	**$ 8,519,130**	**$ 8,807,492**

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 573,751	$ 242,128
Accrued salaries and related benefits	360,259	490,388
Deferred revenue	730,019	750,451
Capital lease obligation	16,747	16,063
Total current liabilities	1,680,776	1,499,030
NONCURRENT LIABILITIES		
Capital lease obligation, net of current portion	14,575	31,620
Deferred compensation obligation	-	535,414
Total noncurrent liabilities	14,575	567,034
Total liabilities	1,695,351	2,066,064
NET ASSETS		
Without donor restrictions	3,860,972	6,406,416
With donor restrictions	2,962,807	335,012
Total net assets	6,823,779	6,741,428
TOTAL LIABILITIES AND NET ASSETS	**$ 8,519,130**	**$ 8,807,492**

See accompanying notes to financial statements.

NATIONAL WIC ASSOCIATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022			2021
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
SUPPORT AND REVENUE				
Grants and contributions	$ 420,197	$ 3,125,670	$ 3,545,867	$ 672,606
Recruitment and retention campaign	1,709,059	-	1,709,059	1,445,865
Conference	1,457,543	-	1,457,543	1,058,312
Membership	697,935	-	697,935	576,566
Investment (loss) income, net	(880,403)	-	(880,403)	760,755
Gross (loss) profit on sales, net cost of goods sold	(39,403)	-	(39,403)	225,854
Other income	95,763	-	95,763	14,665
Net assets released from donor restrictions	497,875	(497,875)	-	-
Total support and revenue	3,958,566	2,627,795	6,586,361	4,754,623
EXPENSES				
Program Services:				
Recruitment and Retention Campaign	1,618,316	-	1,618,316	2,207,329
Conferences	860,305	-	860,305	325,767
Membership	384,848	-	384,848	1,548,414
Grants	165,717	-	165,717	667,315
Lobbying	48,000	-	48,000	16,964
Total program services	3,077,186	-	3,077,186	4,765,789
Supporting Services:				
Management and General	3,003,664	-	3,003,664	1,097,950
Fundraising	423,160	-	423,160	191,468
Total supporting services	3,426,824	-	3,426,824	1,289,418
Total expenses	6,504,010	-	6,504,010	6,055,207
Change in net assets	(2,545,444)	2,627,795	82,351	(1,300,584)
Net assets at beginning of year	6,406,416	335,012	6,741,428	8,042,012
NET ASSETS AT END OF YEAR	**$ 3,860,972**	**$ 2,962,807**	**$ 6,823,779**	**$ 6,741,428**

NATIONAL WIC ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022					
	Program Services					
	Recruitment and Retention Campaign	Conferences	Membership	Grants	Lobbying	Total Program Services
Salaries and related benefits	$ 74,458	$ 115,744	$ 172,954	$ 30,395	$ 48,000	$ 441,551
Advertising and promotion	1,525,790	18,688	-	-	-	1,544,478
Professional fees	1,843	8,228	68,321	134,402	-	212,794
Meeting and facilities and food	-	607,625	15,870	-	-	623,495
Telecommunications	4,120	37,962	64,088	-	-	106,170
Occupancy	6,888	10,775	18,537	-	-	36,200
Travel	1,454	11,955	19,234	265	-	32,908
Subgrants and awards	-	-	15,945	-	-	15,945
Supplies and office expense	2,689	33,731	4,305	619	-	41,344
Calendar and related products cost of sales	-	-	50,795	-	-	50,795
Dues and subscriptions	-	269	-	-	-	269
Printing and publications	-	2,104	-	-	-	2,104
Depreciation and amortization	627	967	1,687	-	-	3,281
Postage and delivery	-	9,109	-	-	-	9,109
Bank and finance charges	169	2,482	3,158	36	-	5,845
Insurance	278	429	749	-	-	1,456
Interest	-	237	-	-	-	237
Subtotal	1,618,316	860,305	435,643	165,717	48,000	3,127,981
Less: Cost of goods sold included with revenues in the Statement of Activities	-	-	(50,795)	-	-	(50,795)
TOTAL	**$ 1,618,316**	**$ 860,305**	**$ 384,848**	**$ 165,717**	**$ 48,000**	**$ 3,077,186**

NATIONAL WIC ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022 (Continued)				2021
	Supporting Services				
	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and related benefits	$ 1,548,666	$ 356,131	$ 1,904,797	$ 2,346,348	$ 2,432,067
Advertising and promotion	13,989	-	13,989	1,558,467	2,105,052
Professional fees	1,002,794	-	1,002,794	1,215,588	537,744
Meeting and facilities and food	12,855	4,073	16,928	640,423	35,331
Telecommunications	120,373	2,207	122,580	228,750	290,981
Occupancy	109,258	26,822	136,080	172,280	159,712
Travel	63,933	23,818	87,751	120,659	2,269
Subgrants and awards	55,427	1,000	56,427	72,372	326,649
Supplies and office expense	21,496	5,583	27,079	68,423	45,280
Calendar and related products cost of sales	-	-	50,795	101,590	74,008
Dues and subscriptions	19,282	-	19,282	19,551	26,489
Printing and publications	14,750	-	14,750	16,854	41,170
Depreciation and amortization	9,862	2,442	12,304	15,585	15,584
Postage and delivery	2,941	-	2,941	12,050	2,560
Bank and finance charges	2,016	-	2,016	7,861	29,207
Insurance	4,377	1,084	5,461	6,917	2,467
Interest	1,645	-	1,645	1,882	2,645
Subtotal	3,003,664	423,160	3,477,619	6,605,600	6,129,215
Less: Cost of goods sold included with revenues in the Statement of Activities	-	-	(50,795)	(101,590)	(74,008)
TOTAL	**$ 3,003,664**	**$ 423,160**	**$ 3,426,824**	**$ 6,504,010**	**$ 6,055,207**

See accompanying notes to financial statements.

NATIONAL WIC ASSOCIATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 82,351	$ (1,300,584)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	15,585	15,584
Net realized and unrealized loss (gain) on investments	1,065,134	(455,407)
(Increase) decrease in:		
Accounts receivable	(126,804)	114,836
Grants receivable	(2,228,100)	-
Prepaid expenses	(32,237)	(62,764)
Increase (decrease) in:		
Accounts payable	331,623	95,305
Accrued salaries and related benefits	(130,129)	-
Deferred revenue	(20,432)	563,460
Deferred compensation obligation	(535,414)	-
Net cash used by operating activities	(1,578,423)	(1,029,570)
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturity of certificates of deposits	-	502,173
Purchase of investments	(343,222)	(1,200,475)
Proceeds from sale of investments	1,830,058	968,667
Net cash provided by investing activities	1,486,836	270,365
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deferred compensation obligation	-	107,802
Principal payments on capital lease	(16,361)	(15,319)
Net cash (used) provided by financing activities	(16,361)	92,483
Net decrease in cash and cash equivalents	(107,948)	(666,722)
Cash and cash equivalents at beginning of year	778,463	1,445,185
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 670,515**	**$ 778,463**
SUPPLEMENTAL INFORMATION:		
Interest Paid	**$ 1,882**	**$ 2,645**

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The National WIC Association (the Association) is a non-profit organization, incorporated in the District of Columbia on July 8, 1985. The Association provides its members with tools and leadership to expand and sustain effective nutrition services for mothers and young children.

Basis of presentation -

The accompanying 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. See Note 6 for details regarding the Board Designated net assets.

- **Net Assets with Donor Restrictions -** Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. 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 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 Association's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Cash and cash equivalents -

The Association considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. 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 Association 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, dividends, realized and unrealized gains and losses are included in investment (loss) income, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

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

Accounts receivable -

Accounts receivable primarily consists of amounts due within one year related to recruitment and retention campaign and membership revenues. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable for which management determines collectability to be questionable are included in the allowance for doubtful accounts receivable. Uncollectable amounts are written off when all avenues for collection have been exhausted. The Association has not recorded an allowance for doubtful accounts as of December 31, 2022.

Grants receivable -

Grants receivable are recorded at their net realizable value, which approximates fair value. Receivables that are expected to be collectable in future years are recorded at fair value, measured as 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 and are only recorded when they are deemed material to the financial statements (not material as of December 31, 2022). All grants 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 five to seven years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2022 totaled $15,585.

Income taxes -

The Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Support and revenue -

Grants and contributions -

The Association receives contributions, including unconditional promises to give, from many sources, organizations and other entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. The Association performs an analysis of the individual grant or 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 transaction is 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. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions qualifying as contributions that are unconditional that 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; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

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

Support and revenue (continued) -

Grants and contributions (continued) -

Grants and contributions qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional. The Association did not have any conditional awards as of December 31, 2022.

The Association has several revenue streams that classified as exchange transactions following ASU 2014-09, *Revenue from Contracts With Customers*, and are recorded as revenue when performance obligations are met. The Association has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on sales price. Amounts received in advance of satisfying performance obligations is recorded as deferred revenue. Most of the Association's contracts with customers have initial terms of one year or less.

Recruitment and retention campaign fees and membership includes general member benefits that are a series of distinct obligations. The revenue is recognized ratably over the membership period. Any amounts received in advance of the membership period is recorded as deferred revenue until earned.

Conference revenue consists of participant registration fees is recognized in the Statement of Activities and Change in Net Assets over the period of time in which the events occur. Money received in advance of the date of the event is recorded as deferred revenue until the period of time in which the events occur.

Sales of calendars and related products are recognized upon sale of goods.

Use of estimates -

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising and promotion

The Association expenses the cost of advertising and promotion costs as incurred. Advertising and promotion expense, primarily related to the Recruitment and Retention Campaign was $1,558,467 for the year ended December 31, 2022.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the 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 Association are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of actual time and effort or other reasonable basis.

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

Risks and uncertainties -

The Association 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 financial statements.

Fair value measurement -

The Association adopted 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 Association accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

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 Association for the year ending December 31, 2023. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Association 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 financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Association 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 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 Association has the ability to access.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (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 and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Common Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.

- *Mutual Funds and Exchange Traded and Closed-Ended Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Association are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Association 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 December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds	$ 4,030,050	$ -	$ -	$ 4,030,050
Common stock	676,377	-	-	676,377
Exchange traded and closed-end funds	293,954	-	-	293,954
TOTAL	**$ 5,000,381**	**$ -**	**$ -**	**$ 5,000,381**

Investment loss, net consisted of the following:

Interest and dividends	$ 226,146
Unrealized loss	(1,253,902)
Realized gain	188,768
Investment fees	(41,415)
INVESTMENT LOSS, NET	**$ (880,403)**

3. CONTRACT ASSETS AND CONTRACT LIABILITIES

Accounts receivable consisted of the following revenue streams as of December 31, 2022:

Recruitment and retention campaign fees	$ 407,594
Membership	12,399
Conference	47,555
TOTAL ACCOUNTS RECEIVABLE	**$ 467,548**

3. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

Accounts receivable revenue related to contracts with customers totaled $340,744 as of January 1, 2022.

Deferred revenue consisted of the following revenue streams as of December 31, 2022:

Recruitment and retention campaign fees	$ 430,666
Membership	244,998
Conference	54,355
TOTAL DEFERRED REVENUE	**$ 730,019**

Deferred revenue related to contracts with customers totaled $750,451 as of January 1, 2022.

4. FIXED ASSETS

Fixed assets consisted of the following at December 31, 2022:

Equipment	$ 301,070
Leasehold improvements	10,750
Total property and equipment	311,820
Less: Accumulated depreciation and amortization	(280,652)
NET FIXED ASSETS	**$ 31,168**

5. CAPITAL LEASE OBLIGATION

The Association entered into a capital lease obligation for a copier, which expires in 2024. As of December 31, 2022, the cost and related accumulated amortization of the leased asset were $31,322. Amortization of assets held under capital leases is included with depreciation expense.

Future minimum lease payments at December 31, 2022 are as follows:

Year Ending December 31,	
2023	$ 17,873
2024	14,894
	32,767
Less: Imputed interest	(1,445)
Less: Current portion	(16,747)
LONG-TERM PORTION	**$ 14,575**

6. BOARD DESIGNATED NET ASSETS

The Board has designated that a reserve be maintained in net assets without donor restrictions to provide for the orderly administration of the Association's financial affairs from year-to-year and to assure the availability of funds needed from time-to-time to meet extraordinary and nonrecurring needs.

As of December 31, 2022, the board designated reserve held in cash and investments totaled $5,086,618.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2022:

Subject to expenditure for specified purpose:	
Supplemental Nutrition Program for Women, Infants, and Children	$ 966,925
Reducing Barriers to WIC Enrollment	186,355
Expand member services	34,527
Subject to passage of time	1,775,000
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 2,962,807**

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:

Purpose restrictions accomplished:	
Supplemental Nutrition Program for Women, Infants, and Children	$ 33,075
Reducing Barriers to WIC Enrollment	12,715
Expand member services	42,073
Timing restrictions accomplished	410,012
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	**$ 497,875**

8. LIQUIDITY AND AVAILABILITY

The Association is supported primarily by member dues and other program revenues. The Association has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, as further discussed in Note 6, the Association has a fund established by the governing Board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. As of December 31, 2022, this reserve is $5,086,618.

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	$ 670,515
Accounts receivable	467,548
Grants receivable	1,978,100
Investments	5,000,381
Subtotal financial assets available within one year	8,116,544
Less: Donor restricted funds	(1,437,807)
Less: Board designated funds	(5,086,618)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 1,592,119**

9. LEASE COMMITMENTS

The Association leases office space under an operating lease agreement, which will expire in July 31, 2023. Base rent is $11,330, plus a proportionate share of expenses, increasing by a factor of 2.5% per year.

The following is a schedule of the future minimum lease payments:

Year Ending December 31, 2023	**$ 144,926**

Rent expense was $172,280 for the year ended December 31, 2022, and in included in occupancy expense in the Statement of Functional Expenses.

In April 2023, the Association entered into a new lease agreement for office space in Washington, D.C. The lease will begin in July 2023 and will terminate in August 2031. Base rent will be $17,105 with annual escalations of 2.5%. The lease includes 14 months of abated rent and a tenant allowance.

10. RETIREMENT PLAN

The Association sponsors a 403(b) defined contribution retirement savings plan for its employees and will make an employer matching contribution as defined by the terms of the Plan's Adoption Agreement. For the year ended December 31, 2022, the Association contributed $8,115 to the Plan.

11. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 27, 2024, the date the financial statements were issued.