

FINANCIAL STATEMENTS

**PARTNERSHIP FOR PUBLIC
SERVICE, INC.**

**FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

PARTNERSHIP FOR PUBLIC SERVICE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Partnership for Public Service, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the Partnership for Public Service, Inc. (the Partnership), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, 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 the Partnership as of December 31, 2024 and 2023, 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. 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 Partnership 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 the Partnership'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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

May 8, 2025

PARTNERSHIP FOR PUBLIC SERVICE, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,675,036	\$ 6,581,031
Investments	35,150,067	20,327,373
Accounts receivable, net	1,300,930	2,319,261
Pledges receivable	2,833,000	1,140,500
Prepaid expenses	<u>320,322</u>	<u>415,192</u>
Total current assets	<u>47,279,355</u>	<u>30,783,357</u>
NET PROPERTY AND EQUIPMENT	<u>2,116,499</u>	<u>2,353,681</u>
OTHER ASSETS		
Deposits	217,048	214,273
Right-of-use asset, net	<u>10,823,923</u>	<u>11,721,574</u>
Total other assets	<u>11,040,971</u>	<u>11,935,847</u>
TOTAL ASSETS	<u>\$ 60,436,825</u>	<u>\$ 45,072,885</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 916,787	\$ 548,742
Deferred revenue	4,416,361	3,931,572
Refundable advance	9,138,652	-
Operating lease liability	<u>1,327,832</u>	<u>998,713</u>
Total current liabilities	<u>15,799,632</u>	<u>5,479,027</u>
NONCURRENT LIABILITIES		
Operating lease liability, net	<u>14,767,743</u>	<u>16,093,321</u>
Total liabilities	<u>30,567,375</u>	<u>21,572,348</u>
NET ASSETS		
Without donor restrictions:		
Board designated	23,429,779	19,953,790
Undesignated	<u>1,338,270</u>	<u>433,041</u>
Total without donor restrictions	24,768,049	20,386,831
With donor restrictions	<u>5,101,401</u>	<u>3,113,706</u>
Total net assets	<u>29,869,450</u>	<u>23,500,537</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 60,436,825</u>	<u>\$ 45,072,885</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 4,848,506	\$ 1,450,000	\$ 6,298,506
Grant revenue	5,076,067	3,477,976	8,554,043
Fee for service revenue	14,938,794	-	14,938,794
Net investment interest, dividends and realized	2,552,756	25,255	2,578,011
Contributed nonfinancial assets	308,056	-	308,056
Sponsorship revenue	3,078,361	-	3,078,361
Rental income	272,013	-	272,013
Other revenue (loss)	(2,029)	-	(2,029)
Net assets released from donor restrictions	<u>2,971,390</u>	<u>(2,971,390)</u>	<u>-</u>
Total support and revenue	<u>34,043,914</u>	<u>1,981,841</u>	<u>36,025,755</u>
EXPENSES			
Program Services:			
Center for Presidential Transition	1,503,184	-	1,503,184
Communications	3,624,909	-	3,624,909
Federal Executive Networks	484,711	-	484,711
Government Affairs	1,550,019	-	1,550,019
Modern Government	988,756	-	988,756
Public Service Leadership Institute	8,340,353	-	8,340,353
Research and Evaluation	945,396	-	945,396
Society's Commitment to Government	2,635,531	-	2,635,531
Workforce	<u>4,847,801</u>	<u>-</u>	<u>4,847,801</u>
Total program services	<u>24,920,660</u>	<u>-</u>	<u>24,920,660</u>
Supporting Services:			
Development	1,536,417	-	1,536,417
Operations	<u>4,611,869</u>	<u>-</u>	<u>4,611,869</u>
Total supporting services	<u>6,148,286</u>	<u>-</u>	<u>6,148,286</u>
Total expenses	<u>31,068,946</u>	<u>-</u>	<u>31,068,946</u>
Changes in net assets before other items	<u>2,974,968</u>	<u>1,981,841</u>	<u>4,956,809</u>
OTHER ITEMS			
Litigation settlement proceeds	283,103	-	283,103
Net unrealized appreciation in fair value of investments	<u>1,123,147</u>	<u>5,854</u>	<u>1,129,001</u>
Total other items	<u>1,406,250</u>	<u>5,854</u>	<u>1,412,104</u>
Changes in net assets	4,381,218	1,987,695	6,368,913
Net assets at beginning of year	<u>20,386,831</u>	<u>3,113,706</u>	<u>23,500,537</u>
NET ASSETS AT END OF YEAR	<u>\$ 24,768,049</u>	<u>\$ 5,101,401</u>	<u>\$ 29,869,450</u>

See accompanying notes to financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 2,484,748	\$ 970,221	\$ 3,454,969
Grant revenue	3,347,760	2,368,184	5,715,944
Fee for service revenue	12,322,796	-	12,322,796
Net investment interest, dividends and realized	864,474	-	864,474
Contributed nonfinancial assets	290,927	-	290,927
Sponsorship revenue	2,139,279	-	2,139,279
Rental income	167,084	-	167,084
Other revenue	54,144	-	54,144
Net assets released from donor restrictions	<u>3,993,758</u>	<u>(3,993,758)</u>	<u>-</u>
Total support and revenue	<u>25,664,970</u>	<u>(655,353)</u>	<u>25,009,617</u>
EXPENSES			
Program Services:			
Center for Presidential Transition	1,196,952	-	1,196,952
Communications	2,586,188	-	2,586,188
Federal Executive Networks	280,047	-	280,047
Government Affairs	1,000,232	-	1,000,232
Modern Government	1,088,407	-	1,088,407
Public Service Leadership Institute	7,198,702	-	7,198,702
Research and Evaluation	629,376	-	629,376
Society's Commitment to Government	1,602,344	-	1,602,344
Workforce	<u>4,867,499</u>	<u>-</u>	<u>4,867,499</u>
Total program services	<u>20,449,747</u>	<u>-</u>	<u>20,449,747</u>
Supporting Services:			
Development	1,328,959	-	1,328,959
Operations	<u>5,791,505</u>	<u>-</u>	<u>5,791,505</u>
Total supporting services	<u>7,120,464</u>	<u>-</u>	<u>7,120,464</u>
Total expenses	<u>27,570,211</u>	<u>-</u>	<u>27,570,211</u>
Changes in net assets before other items	<u>(1,905,241)</u>	<u>(655,353)</u>	<u>(2,560,594)</u>
OTHER ITEMS			
Cumulative-effect of expected credit loss at beginning of year	(81,964)	-	(81,964)
Net unrealized appreciation in fair value of investments	<u>1,994,139</u>	<u>-</u>	<u>1,994,139</u>
Total other items	<u>1,912,175</u>	<u>-</u>	<u>1,912,175</u>
Changes in net assets	6,934	(655,353)	(648,419)
Net assets at beginning of year	<u>20,379,897</u>	<u>3,769,059</u>	<u>24,148,956</u>
NET ASSETS AT END OF YEAR	<u>\$ 20,386,831</u>	<u>\$ 3,113,706</u>	<u>\$ 23,500,537</u>

See accompanying notes to financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services										Supporting Services			
	Center for Presidential Transition	Communications	Federal Executive Networks	Government Affairs	Modern Government	Public Service Leadership Institute	Research and Evaluation	Society's Commitment to Government	Workforce	Total Program Services	Development	Operations	Total Supporting Services	Total Expenses
Personnel	\$ 1,254,600	\$ 2,902,182	\$ 370,922	\$ 1,308,394	\$ 746,702	\$ 4,486,601	\$ 766,909	\$ 1,755,444	\$ 2,944,032	\$ 16,535,786	\$ 1,342,355	\$ 3,260,130	\$ 4,602,485	\$ 21,138,271
Consultants	40,294	168,051	53,443	40,735	47,882	2,187,667	6,293	45,604	162,156	2,752,125	8,102	338,115	346,217	3,098,342
Lease expense	94,151	217,793	27,836	98,188	56,036	336,695	57,552	131,737	220,934	1,240,922	100,737	244,655	345,392	1,586,314
Stipends	-	-	-	-	12,466	-	55,000	-	1,032,287	1,099,753	-	-	-	1,099,753
Events	12,484	43,064	4,183	5,637	16,494	235,713	2,775	399,544	111,361	831,255	6,201	96,593	102,793	934,048
Computer and software	41,116	140,704	12,022	42,405	24,328	160,134	24,975	57,636	105,203	608,523	19,980	48,504	68,484	677,007
Travel	8,398	10,034	753	1,994	53,036	230,008	1,081	24,579	88,158	418,041	14,887	44,743	59,630	477,671
Professional services	11,426	29,931	3,378	11,916	6,801	42,022	6,985	138,354	31,743	282,556	-	144,956	144,956	427,512
Office	22,835	52,713	6,459	22,313	14,489	98,772	13,019	49,892	61,492	341,984	22,978	54,901	77,879	419,863
Fees	-	-	-	-	-	176,176	-	-	-	176,176	-	164,616	164,616	340,792
Depreciation and amortization	14,077	32,564	4,162	14,681	8,378	50,342	8,605	19,697	33,034	185,540	15,062	36,579	51,642	237,182
Assessment/training	176	557	52	183	105	198,978	108	246	14,643	215,048	-	1,235	1,235	216,283
Dues, membership and subscriptions	810	6,593	180	635	362	34,214	372	1,592	9,429	54,187	6,046	87,937	93,983	148,170
Marketing	-	-	488	-	-	92,957	-	7,264	26,718	127,427	-	1,003	1,003	128,430
Credit loss expense	-	-	-	-	-	-	-	-	-	-	-	75,783	75,783	75,783
Employee	2,817	20,723	833	2,938	1,677	10,074	1,722	3,942	6,611	51,337	69	12,119	12,188	63,525
TOTAL	\$ 1,503,184	\$ 3,624,909	\$ 484,711	\$ 1,550,019	\$ 988,756	\$ 8,340,353	\$ 945,396	\$ 2,635,531	\$ 4,847,801	\$ 24,920,660	\$ 1,536,417	\$ 4,611,869	\$ 6,148,286	\$ 31,068,946

See accompanying notes to financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services										Supporting Services			
	Center for Presidential Transition	Communications	Federal Executive Networks	Government Affairs	Modern Government	Public Service Leadership Institute	Research and Evaluation	Society's Commitment to Government	Workforce	Total Program Services	Development	Operations	Total Supporting Services	Total Expenses
Personnel	\$ 1,032,949	\$ 2,246,200	\$ 245,343	\$ 925,355	\$ 900,236	\$ 3,914,674	\$ 581,477	\$ 1,077,646	\$ 3,117,788	\$ 14,041,668	\$ 1,193,886	\$ 3,343,826	\$ 4,537,712	\$ 18,579,380
Consultants	55,000	58,334	-	-	30,000	2,023,261	-	9,950	74,377	2,250,922	6,076	457,995	464,071	2,714,993
Lease expense	65,546	143,942	15,128	54,044	58,814	384,758	33,998	86,648	264,808	1,107,686	72,863	461,748	534,611	1,642,297
Stipends	-	-	-	-	-	-	-	-	1,178,831	1,178,831	-	-	-	1,178,831
Events	17,175	58,336	12,117	940	19,126	230,667	455	377,257	51,892	767,965	3,395	136,755	140,149	908,114
Computer and software	13,683	30,049	3,158	11,282	12,278	80,321	7,097	18,089	55,281	231,238	15,211	96,393	111,604	342,842
Travel	2,056	547	715	431	54,312	70,811	567	4,785	46,713	180,937	12,925	43,399	56,324	237,261
Professional services	163	8,255	38	134	571	6,755	414	2,400	1,574	20,304	13,000	405,929	418,929	439,233
Office	697	7,256	1,336	141	4,466	27,074	394	11,591	14,416	67,371	846	253,113	253,959	321,330
Fees	15	191	3	12	14	79,910	8	20	61	80,234	4	218,138	218,142	298,376
Depreciation and amortization	9,466	20,788	2,185	7,805	8,494	55,567	4,910	12,514	38,244	159,973	10,523	66,686	77,210	237,183
Assessment/training	32	121	7	26	29	222,798	17	42	1,170	224,242	-	9,127	9,127	233,369
Dues, membership and subscriptions	170	4,669	17	62	67	18,047	39	329	4,505	27,905	230	148,526	148,756	176,661
Marketing	-	-	-	-	-	78,526	-	1,073	17,059	96,658	-	11,056	11,056	107,714
Credit loss expense	-	-	-	-	-	-	-	-	-	-	-	100,472	100,472	100,472
Employee	-	7,500	-	-	-	5,533	-	-	780	13,813	-	38,342	38,342	52,155
TOTAL	\$ 1,196,952	\$ 2,586,188	\$ 280,047	\$ 1,000,232	\$ 1,088,407	\$ 7,198,702	\$ 629,376	\$ 1,602,344	\$ 4,867,499	\$ 20,449,747	\$ 1,328,959	\$ 5,791,505	\$ 7,120,464	\$ 27,570,211

See accompanying notes to financial statements.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 6,368,913	\$ (648,419)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	237,182	237,183
Unrealized gain	(1,129,001)	(1,994,139)
Realized loss (gain)	9,485	(9,937)
Receipt of donated stock	(35,680)	(44,187)
Sale of donated stock	35,007	42,865
Change in allowance credit losses	13,718	78,284
Amortization of right-of-use asset	897,651	896,131
Decrease (increase) in:		
Accounts receivable	1,004,613	2,327,774
Pledges receivable	(1,692,500)	1,691,461
Prepaid expenses	94,870	(109,434)
Deposits	(2,775)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	368,045	(141,383)
Deferred revenue	484,789	(526,920)
Refundable advance	9,138,652	-
Operating lease liability	(996,459)	657,961
Net cash provided by operating activities	<u>14,796,510</u>	<u>2,457,240</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(13,746,091)	(2,652,068)
Proceeds from sale of investments	<u>43,586</u>	<u>35,396</u>
Net cash used by investing activities	<u>(13,702,505)</u>	<u>(2,616,672)</u>
Net increase (decrease) in cash and cash equivalents	1,094,005	(159,432)
Cash and cash equivalents at beginning of year	<u>6,581,031</u>	<u>6,740,463</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,675,036</u>	<u>\$ 6,581,031</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Partnership for Public Service, Inc. (the Partnership) was formed in 1999 as a nonprofit organization in accordance with the laws of the State of Delaware. The Partnership revitalizes the Federal Government by inspiring a new generation to serve and by transforming the way government works. The Partnership envisions a dynamic and innovative Federal Government that effectively serves the American people.

Program Services -

Center for Presidential Transition: The Center for Presidential Transition® is the nation's premier nonpartisan source of information and expertise for presidential candidates and their teams. The Center provides critical assistance on how to organize and execute a transition; helps agency career executives prepare for new political leadership; offers guidance to political appointees on the unique aspects of government leadership; and engages with Congress to promote transition reforms. In addition, the Center offers insights to help incumbent presidents prepare for a second term as well as advice on the steps needed for a smooth transfer of power in the event that a new president is elected.

Communications: The Partnership's communication efforts are designed to change public perceptions, educate the public about the need for a high-performing government and help connect citizens to their government. In addition, the Communications team ensures that Partnership programs and activities are heard, understood and actionable.

Federal Executive Networks: The Federal Executive Networks team convenes government executives, current and former, to help them build critical connections with their peers across government, share promising practices and learn from one another.

Government Affairs: The Government Affairs team is the Partnership's voice on Capitol Hill, working to advance the organization's good government agenda by building bridges of understanding between Federal agencies and Congress, promoting useful technologies to improve Federal service delivery, advocating for the modernization of America's civil service system and sharing the Partnership's work with committees, members and their staff.

Modern Government: The Partnership's Modern Government team helps government adopt new approaches and strategies that harness creative thinking to deliver more effective services and better outcomes to the public. The team also conducts research and provides programming that highlights best practices and strategies to recruit and retain essential tech experts and train Federal leaders to use technology more effectively, both in their services and in the workplace.

Public Service Leadership Institute: The Public Service Leadership Institute is the preeminent source of public service leadership programs, policies and perspectives. It develops government leaders, promotes a single standard of Federal leadership through the Public Service Leadership Model, and amplifies the importance of public service leadership by publishing research, issuing commentary and convening leaders across sectors.

Research and Evaluation: The Partnership's research team advises government on topics such as customer experience, data, recruiting and hiring talent, innovation, employee engagement, generational interest in government, performance management and presidential transition. The evaluation team evaluates the impact of these programs and initiatives.

Society's Commitment to Government: The Partnership improves the public perception of our government by promoting the achievements of Federal employees, building their capacity to deliver critical services and engaging others to rebuild trust in our Federal institutions.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

Program Services (continued) -

Workforce: The Partnership helps government address critical talent gaps by advocating for policies that improve the hiring process, administering internship and fellowship programs that inspire young, diverse talent to public service, and helping agencies design and implement new recruitment and retention strategies. Collectively, this work helps fill the Federal talent pipeline and remove the barriers to a career in government.

Supporting Services -

Development: The Partnership's fundraising efforts extend across the organization and focus on ensuring long-term financial viability. The Development team identifies, cultivates and secures financial and in-kind support from individual donors, corporate sponsors and foundations for the Partnership's programs and activities.

Operations: The Operations team comprises talent and human resources, finance and accounting, administrative support, office management, conference services and IT support to enable the organization to meet its mission.

Basis of presentation -

The accompanying 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.

Cash and cash equivalents -

The Partnership 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 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, dividends and realized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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

Investments (continued) -

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Partnership's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts receivable -

Accounts receivable primarily consists of amounts due within one year related to fee for service 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.

Pledges receivable -

Pledges receivable include unconditional promises to give that are expected to be collected within one year. Pledges receivable are recorded at net realizable value, which approximates fair value. The Partnership reviews pledges receivable for collectability on a periodic basis. Each receivable balance is assessed based on management's knowledge of and relationship with the donor and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged to loss on uncollectable pledges and an allowance is recorded. Management considers all pledges receivable to be fully collectable; therefore, no allowance for doubtful pledges receivable has been established.

Property and equipment -

Property and equipment in excess of \$20,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. However, certain assets, such as artwork, are not subject to depreciation, as they are considered to have an indefinite useful life. Artwork is recorded at historical cost and reviewed periodically for impairment. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$237,182 and \$237,183 for the years ended December 31, 2024 and 2023.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is to its current value, and a loss is reported in the Statements of Activities and Changes in Net Assets, to its current fair value.

Income taxes -

The Partnership 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). The Partnership has no unrealized business income activities. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Partnership is not a private foundation.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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

Revenue from contracts with customers -

The Partnership's fee for service revenue, sponsorship revenue and rental income 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 Partnership 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 are recorded as deferred revenue. The Partnership's contracts with customers generally have initial terms of one year or less.

Fee for service revenue for open enrollment programs is recognized over the term of the program. Fee for service revenue for other programs is recognized as the program occurs.

Sponsorship revenue and rental income is recognized when the related event occurs.

Support from contributions and grants -

Contributions and grants are recognized in the appropriate category of net assets in the period received. The 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 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.

Conditional contributions contain a right of return and a measurable barrier. Contributions and grants are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Partnership's refundable advances totaled \$9,138,652 as of December 31, 2024. The Partnership had no refundable advances as of December 31, 2023.

In addition, the Partnership may obtain funding source agreements related to conditional contributions, which will be received in future years. The Partnership's conditional contributions to be received in future years totaled \$9,138,652 as of December 31, 2024. The Partnership had no conditional contributions to be received in future years as of December 31, 2024 and 2023.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed legal and consulting services. Contributed services are valued at the standard hourly rates that would be charged for those services.

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Partnership. None of the contributed nonfinancial assets were restricted by donors.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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

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.

Functional allocation of expenses -

The costs of providing the Partnership's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Changes 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, occupancy and depreciation, were allocated based on estimated time and effort.

Risks and uncertainties -

The 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 financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the 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 Statements 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 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.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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 years ended December 31, 2024 and 2023. 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.
- *U.S. Treasury Notes* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Partnership 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 Partnership are deemed to be actively traded.

US GAAP permits, as a practical expedient, the fair value of investments within scope to be estimated using the net asset value (NAV) or its equivalent. NAV or its equivalent is the value per share or value of ownership interest in partner's capital, as provided by the fund, whose financial statements are prepared in a manner consistent with measurement principles of an investment company or that have the attributes of an investment company. In many instances, NAV will not equal fair value that would be calculated pursuant to the Fair Value Measurement Topic.

The fair value amounts presented in the tables below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Financial Position. Following is a description of those investments measured at NAV:

- *TIFF* - The Investment Fund of Foundation (TIFF) investment program consists of one mutual fund at present named the TIFF Multi-Asset Fund (MAF). MAF employs a fair value model to adjust prices to reflect events affecting the values of certain portfolio securities that occur between the close of trading on the principal market for such securities (foreign exchange and over the counter markets) and the time at which the net asset value of the fund is determined.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy and those measured at NAV as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Funds	\$ 4,273,240	\$ -	\$ -	\$ 4,273,240
U.S. Treasury Notes	-	6,070,649	-	6,070,649
Mutual Funds	<u>376,400</u>	<u>-</u>	<u>-</u>	<u>376,400</u>
Sub total investments using fair value hierarchy	4,649,640	6,070,649	-	10,720,289
Investments measured in NAV per practical expedient	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,429,778</u>
TOTAL INVESTMENTS	<u>\$ 4,649,640</u>	<u>\$ 6,070,649</u>	<u>\$ -</u>	<u>\$ 35,150,067</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy and those measured at NAV as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Funds	\$ 2,225	\$ -	\$ -	\$ 2,225
Mutual Funds	<u>371,358</u>	<u>-</u>	<u>-</u>	<u>371,358</u>
Sub total investments using fair value hierarchy	373,583	-	-	373,583
Investments measured in NAV per practical expedient	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,953,790</u>
TOTAL INVESTMENTS	<u>\$ 373,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,327,373</u>

The following is a summary of the investments valued using NAV as a practical expedient and the related unfunded commitments and redemption restrictions associated with each major asset category as of December 31, 2024:

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
TIFF Multi-Asset Fund	<u>\$ 24,429,778</u>	<u>\$ -</u>	Quarterly, Annually	30-90 days

The following is a summary of the investment values using NAV as a practical expedient and the related unfunded commitments and redemption restrictions associated with each major asset category as of December 31, 2023:

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
TIFF Multi-Asset Fund	<u>\$ 19,953,790</u>	<u>\$ -</u>	Quarterly, Annually	30-90 days

Net investment return consisted of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 2,592,079	\$ 857,415
Unrealized gain	1,129,001	1,994,139
Realized (loss) gain	(9,485)	9,937
Investment fees	<u>(4,583)</u>	<u>(2,878)</u>
NET INVESTMENT RETURN	<u>\$ 3,707,012</u>	<u>\$ 2,858,613</u>

Beginning June 2, 2017, the Partnership became the fiscal agent for the Rosenthal Fellowship Program (the Program). An amendment was incorporated into the agreement allowing the Partnership to continue as the fiscal agent for the Program through August 31, 2019 or a later date agreed upon between the two parties. Effective October 18, 2019, the Partnership was granted sole control over all the funds held or raised by the Program including the rights and duty to invest such funds. The Partnership had investments for the Rosenthal Fellowship of \$380,127 and \$373,583 on December 31, 2024 and 2023, respectively.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

3. CONTRACT ASSETS AND CONTRACT LIABILITIES

Accounts receivable consisted of the following revenue streams as of:

	<u>December 31, 2024</u>	<u>December 31. 2023</u>	<u>January 1, 2023</u>
Fee-for-service	\$ 1,356,512	\$ 2,179,402	\$ 4,725,319
Sponsorships	30,000	216,325	-
Other	6,420	1,818	-
Less: Allowance for credit losses	<u>(92,002)</u>	<u>(78,284)</u>	<u>-</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 1,300,930</u>	<u>\$ 2,319,261</u>	<u>\$ 4,725,319</u>

The allowance for credit losses consisted for the following as of and for the years ended December 31, 2024 and 2023:

Allowance for credit losses, January 1, 2023	\$ 81,964
Additions (charges to expenses)	100,472
Deductions (write-offs, net of recoveries)	<u>(104,152)</u>
Allowance for credit losses, December 31, 2023	78,284
Additions (charges to expenses)	75,783
Deductions (write-offs, net of recoveries)	<u>(62,065)</u>
ALLOWANCE FOR CREDIT LOSSES, DECEMBER 31, 2024	<u>\$ 92,002</u>

Deferred revenue consisted of the following revenue streams as of:

	<u>December 31, 2024</u>	<u>December 31. 2023</u>	<u>January 1, 2023</u>
Sponsorships	\$ 790,000	\$ 940,000	\$ 1,051,236
Fee-for-service	3,626,361	2,983,172	3,407,256
Other	<u>-</u>	<u>8,400</u>	<u>-</u>
TOTAL DEFERRED REVENUE	<u>\$ 4,416,361</u>	<u>\$ 3,931,572</u>	<u>\$ 4,458,492</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Leasehold improvements	\$ 2,609,009	\$ 2,609,009
Artwork	<u>10,000</u>	<u>10,000</u>
Total Property and equipment	2,619,009	2,619,009
Less: Accumulated depreciation and amortization	<u>(502,510)</u>	<u>(265,328)</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 2,116,499</u>	<u>\$ 2,353,681</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31:

	2024	2023
Subject to expenditure for specified purpose:		
Workforce	\$ 1,336,324	\$ 1,848,113
Government Affairs	632,264	-
Programs Administration	382,813	-
Society's Commitment to Government	350,000	-
Public Service Leadership Institute	100,000	-
Development	-	460,815
Modern Government	-	370,930
Research and Evaluation	-	233,848
Subject to passage of time	<u>2,300,000</u>	<u>200,000</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 5,101,401</u>	<u>\$ 3,113,706</u>

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 years ended December 31:

	2024	2023
Purpose restrictions accomplished:		
Workforce	\$ 1,242,874	\$ 692,465
Modern Government	470,930	589,070
Development	460,815	2,453,665
Research and Evaluation	233,848	158,558
Programs Administration	205,187	-
Government Affairs	157,736	-
Society's Commitment to Government	100,000	-
Public Service Leadership Institute	100,000	-
Expiration of time restrictions	<u>-</u>	<u>100,000</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 2,971,390</u>	<u>\$ 3,993,758</u>

6. LIQUIDITY AND AVAILABILITY

The Partnership has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, the Partnership has Board designated net assets without donor restrictions that were established by the Board of Directors that may be drawn upon in the event of financial distress or an immediate liquidity need. In addition, the Partnership invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal. The Partnership has money set aside in their TIFF investments for emergencies, if necessary. Financial assets available for general expenditures within one year of the Statements of Financial Position date comprise the following as of December 31:

	2024	2023
Cash and cash equivalents	\$ 7,675,036	\$ 6,581,031
Investments	35,150,067	20,327,373
Accounts receivable, net	1,300,930	2,319,261
Pledges receivable	<u>2,833,000</u>	<u>1,140,500</u>
Subtotal financial assets available within one year	46,959,033	30,368,165
Less: Refundable advance	(9,138,652)	-
Less: Donor-restricted funds	(2,801,401)	(2,913,706)
Less: Board designated funds	<u>(23,429,779)</u>	<u>(19,953,790)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 11,589,201</u>	<u>\$ 7,500,669</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

7. CONTRIBUTED NONFINANCIAL ASSETS

The Partnership was the beneficiary of certain contributed nonfinancial assets which allowed the Partnership to provide greater resources towards its various programs. All contributed nonfinancial assets benefited the operations of the Partnership. The contributed nonfinancial assets consisted of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Donated software	\$ 200,000	\$ -
Donated legal services	108,056	215,927
Donated consulting services	<u>-</u>	<u>75,000</u>
TOTAL CONTRIBUTED NONFINANCIAL ASSETS	<u>\$ 308,056</u>	<u>\$ 290,927</u>

8. LEASE COMMITMENTS

The Partnership follows FASB ASC 842 for leases. The 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 Partnership has also elected to use a risk-free rate as the lease discount rate for its lease as allowed under FASB ASC 842.

The Partnership has an operating lease for office space in Washington D.C. that expires in December 2033. The Partnership received rent abatement through December 2023. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. The discount rate used to calculate the lease liability was 3.93%.

The lease provides the Partnership with a conditional option to renew for an additional 120-month term. As of December 31, 2024 and 2023, the Partnership is not reasonably certain to exercise the option. Consequently, this provision has not been included in the lease calculation.

For the years ended December 31, 2024 and 2023, total lease cost was \$1,586,314. Total cash paid for the operating lease was \$1,642,297 during the year ended December 31, 2024. Due to the rent abatement, no cash payments were made on the operating lease during the year ended December 31, 2023.

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

<u>Year Ending December 31,</u>	
2025	\$ 1,934,647
2026	1,983,014
2027	2,032,589
2028	2,083,402
2029	2,135,489
Thereafter	<u>9,089,342</u>
	19,258,483
Less: Imputed interest	(3,162,908)
Less: Current portion	<u>(1,327,832)</u>
LEASE LIABILITY, NET	<u>\$ 14,767,743</u>

PARTNERSHIP FOR PUBLIC SERVICE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

9. RETIREMENT PLAN

The Partnership provides retirement benefits through a 401(k) savings plan (the Plan) for all employees. Full-time employees are eligible to participate in the Plan on the first month after seven (7) months of service. Employees may contribute from 1% to 15% of their eligible earnings. Under the Plan, the Partnership contributes 100% of the first 4% of each employee's contributions. The Partnership recorded contributions of \$545,775 and \$492,967 to the Plan for the years ended December 31, 2024 and 2023, respectively.

10. RELATED PARTY TRANSACTIONS

The Partnership receives a portion of its support from contributions made by members of the Board of Directors. The Partnership received contributions of approximately \$747,000 and \$807,000 from these donors during the years ended December 31, 2024 and 2023, respectively.

11. BOARD DESIGNATED FUND

The Board of Directors (the Board) approved the reallocation of operating funds to establish a reserve fund. The Partnership will be able to use the interest income from this reserve fund for partial funding of the Partnership's programs. Since this is an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Interpretation of relevant law -

The Partnership has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the District of Columbia as requiring the preservation of the fair value of the original amount as of the date of the Board designated reserve funds, absent explicit stipulations to the contrary.

In accordance with UPMIFA, the 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 Board designated reserve 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.

Investment Policies -

The Board of the Partnership is charged with the responsibility of managing the assets of the Partnership. The overall goal in managing these funds is to generate a long-term total rate of return that provides sustainable distributions to support the mission within reasonable levels of risk.

The Board believes its role is one of setting and reviewing policy and retaining, monitoring, and evaluating advisers and investment managers. It is the Board's desire to find ways to invest these funds in accordance with the principles of the Partnership. The Investment Committee will review the investment policy statement at least annually.

The financial objectives of the investment funds (Funds) are to provide a stream of relatively stable and constant earnings in support of annually budgetary needs and preserve and enhance the real (inflation-adjusted) purchasing power of the Funds.

PARTNERSHIP FOR PUBLIC SERVICE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

11. BOARD DESIGNATED FUND (Continued)

Investment Policies -

The reserve fund is held in investments in TIFF funds and is included in the investments in the accompanying Statements of Financial Position. It is the intention of the Board that the funds allocated to the reserve fund remain there indefinitely. However, at this time, the funds may, upon approval by the Board, be withdrawn to sustain the Partnership's operations.

The objective of this reserve fund is to provide for long-term financial stability of the Partnership's core mission. To achieve that objective, the Partnership invests in a well-diversified asset mix, which includes equities, debt securities, and cash equivalents which is intended to result in a consistent inflation-protected rate of return while growing the fund is possible. Investment risk is measured in terms of the total reserve fund. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Composition and changes in Board designated net assets without donor restrictions consisted of the following as of and for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Board designated, beginning of year	\$ 19,953,790	\$ 16,511,964
Contributions	1,500,000	2,000,000
Net investment return	1,975,989	2,597,505
Appropriations	<u>-</u>	<u>(1,155,679)</u>
BOARD DESIGNATED, END OF YEAR	<u>\$ 23,429,779</u>	<u>\$ 19,953,790</u>

12. SUBSEQUENT EVENTS

In preparing these financial statements, the Partnership has evaluated events and transactions for potential recognition or disclosure through May 8, 2025, the date the financial statements were issued.

Subsequently, significant Federal agency and program cuts and Federal workforce reductions are adversely impacting the Partnership's Federal programming and revenue. The Partnership is regularly assessing the programmatic and financial implications of these developments, making program and staff adjustments and pursuing alternative funding sources to mitigate the impact to the extent possible. Management will continue to adapt as needed to ensure the Partnership's long-term sustainability.