

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

**Financial Statements Together with
Reports of Independent Public Accountants**

For the Years Ended September 30, 2025 and 2024

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

**Financial Statements Together with
Reports of Independent Public Accountants**

SEPTEMBER 30, 2025 AND 2024

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors, Audit, Finance and Governance Committee
National Committee for Responsive Philanthropy

Opinion

We have audited the financial statements of National Committee for Responsive Philanthropy (NCRP), which comprise the statement of financial position as of September 30, 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of the NCRP as of September 30, 2025, and the changes 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 (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 the NCRP 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.

Other Matter

The financial statements of the NCRP as of and for the year ended September 30, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on January 31, 2025.

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 controls 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 NCRP's ability to continue as a going concern for one year after the date that 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 controls. 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 controls 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 NCRP's internal controls. 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 NCRP'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 controls related matters that we identified during the audit.

Washington, D.C.
February 12, 2026



NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Statements of Financial Position As of September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 248,456	\$ 197,550
Investments	504,664	738,380
Grants and contributions receivable, net	1,184,457	1,485,712
Prepaid expenses and other assets	79,482	70,775
Security deposit	11,677	11,677
Right of use asset - operating, net	139,930	299,687
Property and equipment, net	3,788	17,113
Total Assets	<u>\$ 2,172,454</u>	<u>\$ 2,820,894</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 50,883	\$ 60,238
Accrued expenses	183,946	200,545
Funds held on behalf of others	54,489	172,871
Line of credit payable	122,887	-
Lease liability - financing	-	4,851
Lease liability - operating	170,195	362,925
Total Liabilities	<u>582,400</u>	<u>801,430</u>
Net Assets		
Without donor restrictions	45,054	244,464
With donor restrictions	1,545,000	1,775,000
Total Net Assets	<u>1,590,054</u>	<u>2,019,464</u>
Total Liabilities and Net Assets	<u>\$ 2,172,454</u>	<u>\$ 2,820,894</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Statement of Activities and Changes in Net Assets For the Year Ended September 30, 2025, with Comparative Totals for 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2024 Total</u>
Support and Revenue				
Foundation grants - general support	\$ 2,563,479	\$ 720,000	\$ 3,283,479	\$ 3,211,835
Foundation grants - specific projects	250,000		250,000	75,000
Contributions and sponsorships	11,138	-	11,138	17,715
Contract services	5,500	-	5,500	62,400
Miscellaneous income	75,868	-	75,868	61,374
Investment income, net	35,884	-	35,884	200,631
Net assets released from restrictions:				
Satisfaction of program restrictions	75,000	(75,000)	-	-
Satisfaction of time restrictions	875,000	(875,000)	-	-
Total Support and Revenue	<u>3,891,869</u>	<u>(230,000)</u>	<u>3,661,869</u>	<u>3,628,955</u>
Expenses				
Program services:				
Initiatives	1,277,220	-	1,277,220	1,209,445
New project development	639,660	-	639,660	1,119,518
Research	775,856	-	775,856	836,107
Communications	525,416	-	525,416	673,872
Membership	-	-	-	617,031
Total Program Services	<u>3,218,152</u>	<u>-</u>	<u>3,218,152</u>	<u>4,455,973</u>
Supporting services:				
Administrative	522,416	-	522,416	248,147
Fundraising	350,711	-	350,711	494,644
Total Supporting Services	<u>873,127</u>	<u>-</u>	<u>873,127</u>	<u>742,791</u>
Total Expenses	<u>4,091,279</u>	<u>-</u>	<u>4,091,279</u>	<u>5,198,764</u>
Changes in Net Assets	(199,410)	(230,000)	(429,410)	(1,569,809)
Net Assets, Beginning of Year	<u>244,464</u>	<u>1,775,000</u>	<u>2,019,464</u>	<u>3,589,273</u>
Net Assets, End of Year	<u>\$ 45,054</u>	<u>\$ 1,545,000</u>	<u>\$ 1,590,054</u>	<u>\$ 2,019,464</u>

The accompanying notes are an integral part of this financial statement.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Statement of Activities and Changes in Net Assets For the Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Foundation grants - general support	\$ 1,761,835	\$ 1,450,000	\$ 3,211,835
Foundation grants - specific projects	-	75,000	75,000
Contributions and sponsorships	17,715	-	17,715
Contract services	62,400	-	62,400
Miscellaneous income	61,374	-	61,374
Investment income, net	200,631	-	200,631
Net assets released from restrictions:			
Satisfaction of program restrictions	260,993	(260,993)	-
Satisfaction of time restrictions	901,250	(901,250)	-
Total Support and Revenue	3,266,198	362,757	3,628,955
Expenses			
Program services:			
Initiatives	1,209,445	-	1,209,445
New project development	1,119,518	-	1,119,518
Research	836,107	-	836,107
Communications	673,872	-	673,872
Membership	617,031	-	617,031
Total Program Services	4,455,973	-	4,455,973
Supporting services:			
Administrative	248,147	-	248,147
Fundraising	494,644	-	494,644
Total Supporting Services	742,791	-	742,791
Total Expenses	5,198,764	-	5,198,764
Change in Net Assets	(1,932,566)	362,757	(1,569,809)
Net Assets, Beginning of Year	2,177,030	1,412,243	3,589,273
Net Assets, End of Year	\$ 244,464	\$ 1,775,000	\$ 2,019,464

The accompanying notes are an integral part of this financial statement.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Statement of Functional Expenses
For the Year Ended September 30, 2025, with Comparative Totals for 2024

	2025									
	Program Services					Supporting Services				
	Initiatives	New Project Development	Research	Communications	Total Program Services	Administrative	Fundraising	Total Supporting Services	2025 Total	2024 Total
Salaries	\$ 783,625	\$ 341,172	\$ 472,208	\$ 286,244	\$ 1,883,249	\$ 319,036	\$ 208,205	\$ 527,241	\$ 2,410,490	\$ 2,925,989
Payroll taxes and fringe benefits	209,238	91,098	126,086	76,431	502,853	107,714	70,295	178,009	680,862	819,845
Professional fees	79,245	81,971	73,559	51,647	286,422	71,482	24,527	96,009	382,431	393,182
Travel, meals and entertainment	80,718	66,134	24,760	25,236	196,848	1,667	4,656	6,323	203,171	318,748
Rent and other occupancy	89,892	39,251	53,896	34,204	217,243	16,465	23,719	40,184	257,427	313,004
Grant expenses	-	-	-	-	-	-	-	-	-	226,023
Dues and subscriptions	9,259	5,779	10,492	40,532	66,062	1,599	2,303	3,902	69,964	80,285
Miscellaneous	2,411	858	915	699	4,883	255	10,958	11,213	16,096	36,619
Depreciation and amortization	5,883	2,555	3,546	2,141	14,125	1,083	1,561	2,644	16,769	30,432
Postage, mailing and delivery	233	87	221	395	936	37	53	90	1,026	22,447
Insurance	4,033	1,751	2,431	1,468	9,683	743	1,070	1,813	11,496	17,342
Interest expense	8,031	3,488	4,840	2,923	19,282	1,479	2,130	3,609	22,891	6,709
Bank and credit card fees	2,407	1,740	1,450	876	6,473	443	638	1,081	7,554	5,569
Training and development	2,245	3,776	1,452	2,620	10,093	413	596	1,009	11,102	2,570
Total expenses	\$ 1,277,220	\$ 639,660	\$ 775,856	\$ 525,416	\$ 3,218,152	\$ 522,416	\$ 350,711	\$ 873,127	\$ 4,091,279	\$ 5,198,764

The accompanying notes are an integral part of this financial statement.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

**Statement of Functional Expenses
For the Year Ended September 30, 2024**

	Program Services					Total Program Services	Supporting Services			2024 Total
	Initiatives	New Project Development	Research	Communications	Membership		Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 691,758	\$ 555,593	\$ 500,171	\$ 400,856	\$ 397,987	\$ 2,546,365	\$ 64,527	\$ 315,097	\$ 379,624	\$ 2,925,989
Payroll taxes and fringe benefits	193,433	155,350	140,952	111,945	111,503	713,183	19,376	87,286	106,662	819,845
Professional fees	82,833	57,676	57,141	35,417	32,233	265,300	95,741	32,141	127,882	393,182
Travel, meals and entertainment	151,251	55,888	29,909	34,315	23,096	294,459	9,535	14,754	24,289	318,748
Rent and other occupancy	61,270	49,597	55,127	40,237	38,069	244,300	42,545	26,159	68,704	313,004
Grant expenses	-	226,023	-	-	-	226,023	-	-	-	226,023
Dues and subscriptions	6,126	5,033	19,908	40,565	3,758	75,390	3,039	1,856	4,895	80,285
Miscellaneous	5,426	4,198	5,162	3,105	3,159	21,050	3,803	11,766	15,569	36,619
Depreciation and amortization	6,391	4,948	4,565	3,652	3,652	23,208	4,485	2,739	7,224	30,432
Postage, mailing and delivery	3,466	186	18,537	72	54	22,315	67	65	132	22,447
Insurance	3,642	2,820	2,601	2,081	2,081	13,225	2,556	1,561	4,117	17,342
Interest expense	1,349	1,045	963	771	771	4,899	1,232	578	1,810	6,709
Bank and credit card fees	1,170	906	835	668	668	4,247	821	501	1,322	5,569
Training and development	1,330	255	236	188	-	2,009	420	141	561	2,570
Total expenses	\$ 1,209,445	\$ 1,119,518	\$ 836,107	\$ 673,872	\$ 617,031	\$ 4,455,973	\$ 248,147	\$ 494,644	\$ 742,791	\$ 5,198,764

The accompanying notes are an integral part of this financial statement.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Statements of Cash Flows For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (429,410)	\$ (1,569,809)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	16,769	30,432
Non-cash lease expense	(32,973)	(27,605)
Unrealized gain on investments	(11,887)	297,064
Changes in non cash operating assets and liabilities:		
Grants and contributions receivable net	301,255	(346,435)
Prepaid expenses and other assets	(8,707)	(6,525)
Accounts payable	(9,355)	(46,216)
Accrued expenses	(16,599)	93,132
Funds held on behalf of others	(118,382)	172,871
Net Cash from Operating Activities	(309,289)	(1,403,091)
Cash Flows from Financing Activities		
Purchases of investments	(100,000)	(1,983,177)
Proceeds from sales of investments	345,603	3,352,594
Purchases of property and equipment	(3,444)	-
Net Cash Flows from Investing Activities	242,159	1,369,417
Cash Flows from Financing Activities		
Borrowings on the line of credit, net	122,887	-
Principal payments on financing lease liability	(4,851)	(5,631)
Net Cash from Financing Activities	118,036	(5,631)
Net Change in Cash and Cash Equivalents	50,906	(39,305)
Cash and Cash Equivalents, Beginning of Year	197,550	236,855
Cash and Cash Equivalents, End of Year	\$ 248,456	\$ 197,550
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 22,891	\$ 6,709

The accompanying notes are an integral part of these financial statements.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

1. BACKGROUND OF THE ORGANIZATION

The National Committee for Responsive Philanthropy (NCRP) is a publicly supported organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC).

NCRP's mission statement communicates the purpose of the organization:

NCRP promotes philanthropy that serves the public good, is responsive to people and communities with the least wealth and opportunity, and is held accountable to the highest standards of integrity and openness.

NCRP's long-term vision is a future where philanthropy is truly a means to share wealth and power and create a more equitable and democratic society. The organization envisions philanthropy at its best investing in people and communities with the least wealth and opportunity and supporting the movements that engage, serve, and represent them.

NCRP pursues its mission and vision primarily by producing original research into the past and present of philanthropy; publishing commentary and pursuing narrative change work; and developing resources and campaigns that aim to shift philanthropic priorities toward building, sharing, and wielding power and resources in pursuit of justice.

NCRP's programs during the fiscal year included:

Impact Awards: The biennial Impact Awards recognize people and institutions who exemplify NCRP's vision of philanthropy that builds, shares, and wields power with communities, directs resources to frontline movements for a just and equitable world, and pushes peers in the sector to do the same. The program advances NCRP's mission by setting high standards for philanthropy, demonstrating that doing things differently is possible, and encouraging funders who have made positive changes to stay on that path.

Movement Investment Project: NCRP's Movement Investment Projects (MIPs) help funders see themselves and the issues they care about as part of the social movement ecosystem, build the philanthropic sector's capacity to support movements, and redefine best practices for movement funding. The two active MIP campaigns are focused on Reproductive Access & Gendered Violence and on Climate Justice & Just Transition, with some legacy work on the original Pro-Immigrant and Refugee Movements project.

Power Moves: Power Moves is self-assessment toolkit designed to guide funders in assessing how well they are building, sharing, and wielding power and identifying ways to transform their practices for lasting, equitable impact.

Regressive Philanthropy Initiative: This research initiative is focused on exploring funding patterns for nonprofits aimed at maintaining inequities and at undermining or rolling back efforts for a more democratic and just society.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

1. BACKGROUND OF THE ORGANIZATION (continued)

Communications and Publications: NCRP's informs sector conversations and drives narrative change by sharing our own original research, commentary, and resources as well as by elevating relevant news and opportunities from across philanthropy and nonprofits. Our blog features commentary by both NCRP staff and guest authors. NCRP's signature online journal, *Responsive Philanthropy*, publishes longer-form commentary by philanthropy and nonprofit leaders on timely themes. We share NCRP news alongside relevant news and resources from across the sector in our monthly "Roundup" e-newsletter and on our social media channels, which have thousands of regular readers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of NCRP are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and money market funds with maturities, when initially purchased, of less than three months.

Grants and Contributions Receivable

Grants and contributions receivable are stated at its estimated net realizable value. Grants and contributions receivable that are past due are individually analyzed for collectability. NCRP considers the grants and contributions receivable to be fully collectible and, accordingly, no allowance for uncollectible grants and contribution receivable has been recorded as of September 30, 2025 and 2024.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that NCRP has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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. The valuation method used needs to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial instruments consist of cash, cash equivalents, investments, accounts receivable, accounts payable and accrued expenses. The carrying value of NCRP's financial instruments in the accompanying statements of financial position approximated their respective estimated fair values as of September 30, 2025 and 2024. Fair values are estimated based on current market rates, prices, or liquidation value.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Right of Use Asset and Lease Liability

NCRP records a right of use asset related to the office facility. The right of use asset is being amortized over the term of the lease. As of September 30, 2025 and 2024, the carrying value of the right of use asset was \$139,930 and \$299,687, respectively.

The lease liability represents the future commitments for NCRP's office facility. The term of a lease is assessed as the non-cancellable period of the lease, plus any extension options that NCRP is reasonably certain to exercise. The lease liabilities are discounted using NCRP's estimated borrowing rate.

Property and Equipment, Net

Property and equipment primarily consist of office furniture and equipment, software, and expenses related to NCRP's website, which are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, generally three years for software and five years for office furniture and equipment. Website costs are amortized over three years. NCRP capitalizes property and equipment with a cost of \$1,000 or more and an economic life in excess of one year. Costs incurred in the development of the website are expensed during the preliminary and post-implementation operation stages, including data conversion, training and maintenance costs. Costs incurred during the website's development stage are capitalized. Expenditures for major repairs or improvements are capitalized; expenditures for minor repairs and maintenance are expensed when incurred. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation, and any gain or loss is reflected in the accompanying statements of activities and changes in net assets.

Funds Held on Behalf of Others

NCRP serves as a fiscal sponsor for another nonprofit organization. The accompanying financial statements include the cash held on behalf of the nonprofit organization as funds held on behalf of others. NCRP held \$54,489 and \$172,871, on behalf of the nonprofit organization as of September 30, 2025 and 2024, respectively.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Net Assets

NCRP's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of NCRP at the discretion of NCRP's management and the Board of Directors (the Board).
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of NCRP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of September 30, 2025 and 2024, NCRP had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue Recognition

Unconditional grants and contributions are reported as revenue and support in the year in which payments are received and/or unconditional promises are made. Unconditional grants and contributions are considered without donor restrictions unless specifically restricted by the grantor. Amounts received that are designated for future periods or restricted by the grantor for specific purposes are reported as revenue and support with donor restrictions. When a grantor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets are reclassified from net assets with donor restriction to net assets without donor restriction and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. Unconditional grants and contributions that have been committed to NCRP but have not been received as of year-end are reflected in grants and promises to give. Those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Amounts related to these conditional grants are recognized and released in the same year.

Contract revenue relates to research services and is recognized as revenue as performance obligations are met over the contract period.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Expenses directly attributed to a specific functional area of NCRP are reported as expenses of those functional areas. Salaries are allocated to programs and supporting services based on employee timesheets.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)

Payroll taxes and fringe benefits and shared costs (such as rent and other occupancy, depreciation and amortization, printing, postage, mailing and delivery, insurance, dues and subscriptions and other operating expenses) that benefit multiple functional areas have been allocated among the various functional areas based on the actual direct labor charged to those functional areas.

Reclassifications

Certain reclassifications have been made to the 2024 amounts to conform with the current year presentation. These reclassifications did not have an impact on the net assets.

Income Taxes

NCRP is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code and is recognized as such by the Internal Revenue Service. The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. NCRP performed an evaluation of uncertain tax positions as of September 30, 2025 and 2024, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of September 30, 2025, the statute of limitations for fiscal years 2022 through 2025 remain open with the U.S. federal jurisdiction tax returns.

Subsequent Events

NCRP evaluated subsequent events and transactions through February 12, 2026, the date the financial statements were available for issue, and has determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

Liquidity and Availability of Resources

NCRP regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources (continued)

NCRP's financial assets available within one year of the statement of financial position date for general expenditures at September 30, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 248,456	\$ 197,550
Investments	504,664	738,380
Grants and contributions receivable due within one year	1,184,457	805,150
Total financial assets available within one year	<u>1,937,577</u>	1,741,080
Less:		
Amounts unavailable due to donor purpose restrictions	-	75,000
Amounts fund held for others	54,489	172,871
Financial assets available to meet general expenditures within one year	<u>\$ 1,883,088</u>	<u>\$ 1,493,209</u>

NCRP has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations as they come due.

3. INVESTMENTS

The following is a description of the valuation methodology used for assets measured at fair value as of September 30, 2025 and 2024.

Mutual funds – Valued using quoted market prices for identical assets in active markets.

Exchange-traded funds – Valued at the closing price reported in an active market in which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while NCRP believes its valuation methods are appropriate and consistent with other market participants, 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 reporting date.

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Notes to the Financial Statements September 30, 2025 and 2024

3. INVESTMENTS (continued)

Investment income is summarized as follows for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 248,456	\$ 197,550
Investments	504,664	738,380
Grants and contributions receivable due within one year	<u>1,184,457</u>	<u>805,150</u>
Total financial assets available within one year	<u>1,937,577</u>	1,741,080
Less:		
Amounts unavailable due to donor purpose restrictions	-	75,000
Amounts fund held for others	<u>54,489</u>	<u>172,871</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,883,088</u>	<u>\$ 1,493,209</u>

4. GRANTS AND CONTRIBUTIONS

Grants and contributions receivable primarily represent grants and contributions from foundations and corporations. As of September 30, 2025 and 2024, all grants and contributions receivable were considered fully collectible and were expected to be received as follows:

	<u>2025</u>	<u>2024</u>
Less than one year	\$ 408,750	\$ 805,150
One to five years	650,000	525,000
More than five years	<u>200,000</u>	<u>300,000</u>
Total	<u>1,258,750</u>	1,630,150
Less: Discount on multi-year receivables	<u>74,293</u>	144,438
Grants and contributions receivable	<u>\$ 1,184,457</u>	<u>\$ 1,485,712</u>

The discount rate used to calculate the present value of grants and contributions receivable due after one year was 2.91% and 3.74% for 2025 and 2024, respectively.

5. PROPERTY AND EQUIPMENT, NET

NCRP held the following property and equipment as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Useful Life</u>
Website	\$ 130,196	\$ 130,196	3 Years
Furniture and equipment	125,348	121,904	3-5 Years
Software	<u>53,257</u>	<u>53,257</u>	3 Years
Total property and equipment	<u>308,801</u>	305,357	
Less: accumulated depreciation and amortization	<u>305,013</u>	288,244	
Property and equipment, net	<u>\$ 3,788</u>	<u>\$ 17,113</u>	

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Notes to the Financial Statements September 30, 2025 and 2024

5. PROPERTY AND EQUIPMENT, NET (continued)

Included in property and equipment assets were \$3,157 of finance lease liability for the year ended September 30, 2024; there was no finance lease liability in 2025.

Depreciation and amortization expense was \$16,769 and \$30,432, for the years ended September 30, 2025 and 2024, respectively.

6. LEASES

Operating Leases

NCRP rents office space for its headquarters under a noncancelable operating lease that extends through July 31, 2026. The lease agreement calls for an initial monthly rental payment of \$11,383, annual rent escalations of 2.5% and rent abatement for a period of 10 months over the course of the first three years of the lease term. Further, the lease contains a five-year option to extend the lease.

On February 12, 2020, NCRP entered into an amendment to the non-cancelable operating lease for its headquarters in Washington, D.C., to expand the premises under the lease. The lease term is for the period March 1, 2020 through July 31, 2026. The lease amendment calls for an initial incremental monthly rental payment of \$2,092, annual rent escalations of 2.5% and rent abatement for the incremental rent over the first three months following the effective date of the lease amendment. The amended lease agreement also provided additional rent abatements for NCRP's main office rent and for the extension corridor rent totaling \$14,897 and \$1,194, respectively.

Total office rent expense, including NCRP's proportionate share of real estate taxes and operating and maintenance costs, was \$173,633 and \$175,307, for the years ended September 30, 2025 and 2024, respectively, and is included in rent and other occupancy expense in the accompanying statement of functional expenses. Cash paid for operating leases for the years ended September 30, 2025 and 2024, totaled \$203,781 and \$198,812, respectively. NCRP's future minimum lease payments during year ending September 30, 2026, is \$173,339 of which includes the 4% discount of \$3,144.

In March 2024, NCRP entered into a sublease agreement for a portion of its rentable office space beginning March 1, 2024. The original agreement provided for monthly rent of \$6,100 through February 28, 2025. In February 2025, the parties executed Sublease Amendment 1, extending the term through May 31, 2025 at a monthly rent of \$6,710. In May 2025, the parties executed Sublease Amendment 2, extending the term through July 31, 2026 at a monthly rent of \$3,355.

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Notes to the Financial Statements September 30, 2025 and 2024

6. LEASES (continued)

Operating Lease (continued)

Rental income recognized for the years ended September 30, 2025 and 2024, was \$70,150 and \$42,700, respectively, and is reported within miscellaneous income in the accompanying statements of activities. As of September 30, 2025, future minimum rental income expected to be received under the amended sublease for the year ending September 30, 2026 is \$33,550.

7. NET ASSETS WITH DONOR RESTRICTIONS

As of September 30, 2025 and 2024, net assets with donor restrictions were restricted for the following purpose or time restriction:

	<u>2025</u>	<u>2024</u>
Purpose restrictions	\$ -	\$ 75,000
Time restrictions	<u>1,545,000</u>	<u>1,700,000</u>
Total	<u>\$ 1,545,000</u>	<u>\$ 1,775,000</u>

8. LINE OF CREDIT

NCRP has a revolving line of credit with a borrowing limit of \$500,000. Borrowings under the line of credit bear interest at the lender's liquidity access line index rate plus 3.5%, which was 7.42% as of September 30, 2025. The line of credit is collateralized by NCRP's investment brokerage account.

9. COMMITMENTS, RISKS AND CONTINGENCIES

Employment Agreement

The employment agreement with its President and Chief Executive Officer (CEO) expires January 3, 2028. Under the terms of the agreement if NCRP terminates the agreement for reasons other than cause, the President and CEO is entitled to receive severance pay equal to six months of his then-current annual compensation and any earned but unused vacation, excluding any bonus.

Pension Plan

NCRP's employees are eligible to participate in a defined contribution retirement plan. Contributions are made by NCRP to the plan at the rate of 8% of an employee's salary. An employee is immediately vested in the amount contributed to his or her participant account. NCRP's contributions totaled \$179,885 and \$236,145, for the years ended September 30, 2025 and 2024, respectively.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

Notes to the Financial Statements September 30, 2025 and 2024

9. COMMITMENTS, RISKS AND CONTINGENCIES

Grants

NCRP receives financial assistance from grants and contributions. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subjected to audit. Any disallowed claims resulting from such audits could become a liability of NCRP. NCRP's management believes such disallowance, if any, would be immaterial.

Litigation

NCRP may be subject to various claims and legal proceedings covering a wide range of matters that may arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of NCRP.