



NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2025

(With Summarized Comparative Information for the Year Ended December 31, 2024)

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
National Center for Family Philanthropy, Inc.

Opinion

We have audited the accompanying financial statements of National Center for Family Philanthropy, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, 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 Organization as of December 31, 2025, and the changes in 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 Organization 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 Organization'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 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

HAN GROUP LLC

Washington, DC

July 22, 2026

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Financial Position

December 31, 2025

(With Summarized Comparative Information for 2024)

	2025	2024
Assets		
Cash and cash equivalents	\$ 6,002,311	\$ 6,726,635
Accounts receivable	-	20,500
Grants and contributions receivable, net	3,080,142	700,536
Prepaid expenses	117,122	124,784
Security deposits	14,888	14,888
Property and equipment, net	211,048	33,825
Right-of-use assets – operating lease	1,330,673	1,535,130
Right-of-use assets – finance lease	8,544	12,342
Total assets	<u>\$ 10,764,728</u>	<u>\$ 9,168,640</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 58,609	\$ 97,116
Accrued payroll and benefits	195,187	140,923
Deferred revenue	-	20,694
Operating lease liabilities	1,553,616	1,741,259
Finance lease liabilities	9,023	12,797
Total liabilities	<u>1,816,435</u>	<u>2,012,789</u>
Net Assets		
Without donor restrictions	5,235,989	5,811,406
With donor restrictions	3,712,304	1,344,445
Total net assets	<u>8,948,293</u>	<u>7,155,851</u>
Total liabilities and net assets	<u>\$ 10,764,728</u>	<u>\$ 9,168,640</u>

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Activities

Year Ended December 31, 2025

(With Summarized Comparative Information for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Grants and contributions	\$ 3,430,263	\$ 3,690,315	\$ 7,120,578	\$ 4,851,498
Registrations and sponsorships	624,493	-	624,493	1,785,680
Consulting income	290,517	-	290,517	246,898
Subscribing partners	252,875	-	252,875	291,437
Investment income, net	167,978	-	167,978	256,410
Net assets released from restrictions:				
Expiration of time restrictions	1,054,959	(1,054,959)	-	-
Satisfaction of purpose restrictions	267,497	(267,497)	-	-
Total revenue and support	6,088,582	2,367,859	8,456,441	7,431,923
Expenses				
Program services:				
Member Resources and Support	1,174,823	-	1,174,823	1,409,217
Events	1,010,236	-	1,010,236	1,601,871
Learning and Action Cohort	739,775	-	739,775	572,114
Program Support	725,651	-	725,651	571,581
Peer Networks	446,240	-	446,240	435,611
Fellows	280,541	-	280,541	226,197
Conferences and Speaking Engagements	244,204	-	244,204	179,873
Total program services	4,621,470	-	4,621,470	4,996,464
Supporting services:				
Management and general	1,010,480		1,010,480	965,056
Fundraising	1,032,049		1,032,049	862,147
Total supporting services	2,042,529	-	2,042,529	1,827,203
Total expenses	6,663,999	-	6,663,999	6,823,667
Change in Net Assets	(575,417)	2,367,859	1,792,442	608,256
Net Assets , beginning of year	5,811,406	1,344,445	7,155,851	6,547,595
Net Assets , end of year	\$ 5,235,989	\$ 3,712,304	\$ 8,948,293	\$ 7,155,851

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Functional Expenses

Year Ended December 31, 2025

(With Summarized Comparative Information for 2024)

	2025							
	Program Services							Total
	Member Resources and Support	Events	Learning and Action Cohort	Program Support	Peer Networks	Fellows	Conferences and Speaking Engagements	Program Services
Salaries and related expenses	\$ 888,414	\$ 600,484	\$ 241,573	\$ 515,866	\$ 364,902	\$ 104,752	\$ 185,318	\$ 2,901,309
Professional services	125,619	114,951	432,048	82,653	21,803	156,623	11,593	945,290
Food and beverage	29,662	106,517	20,097	18,790	19,470	7,557	6,887	208,980
Occupancy	48,749	34,529	13,465	28,989	19,511	5,926	10,374	161,543
Accounting and payroll	-	-	-	-	-	-	-	-
Travel	8,888	45,515	19,988	34,554	5,155	1,215	15,197	130,512
Internet and technology	19,920	13,094	5,057	10,889	7,321	2,227	7,885	66,393
Meetings, conferences, and events	2,439	69,033	3,111	2,049	1,676	297	3,354	81,959
Depreciation and amortization	9,904	7,016	2,736	28,238	3,964	1,204	2,108	55,170
Bank charges	-	-	-	-	-	-	-	-
Marketing and media	35,292	1,160	43	93	62	19	33	36,702
Dues and subscriptions	3,538	2,506	977	2,104	1,416	430	753	11,724
Office expenses	1,419	5,249	409	844	568	172	493	9,154
Publications	412	9,500	114	245	165	50	88	10,574
Insurance	-	-	-	-	-	-	-	-
Telephone	357	253	99	212	143	43	76	1,183
Grant expenses	178	126	49	106	71	22	38	590
Postage	32	303	9	19	13	4	7	387
Interest and other	-	-	-	-	-	-	-	-
Total Expenses	\$ 1,174,823	\$ 1,010,236	\$ 739,775	\$ 725,651	\$ 446,240	\$ 280,541	\$ 244,204	\$ 4,621,470

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Functional Expenses (continued)

Year Ended December 31, 2025

(With Summarized Comparative Information for 2024)

	2025			2024	
	Supporting Services				
	Management and General	Fundraising	Total Supporting Services	Total	Total
Salaries and related expenses	\$ 540,971	\$ 836,654	\$ 1,377,625	\$ 4,278,934	\$ 3,914,404
Professional services	74,268	51,653	125,921	1,071,211	1,198,451
Food and beverage	40,367	33,250	73,617	282,597	359,042
Occupancy	66,463	46,220	112,683	274,226	278,087
Accounting and payroll	183,881	-	183,881	183,881	181,447
Travel	8,477	28,964	37,441	167,953	187,046
Internet and technology	24,836	17,357	42,193	108,586	162,985
Meetings, conferences, and events	3,325	2,570	5,895	87,854	261,890
Depreciation and amortization	17,298	9,390	26,688	81,858	68,752
Bank charges	39,495	-	39,495	39,495	72,236
Marketing and media	212	147	359	37,061	58,708
Dues and subscriptions	3,622	3,354	6,976	18,700	3,887
Office expenses	1,911	1,560	3,471	12,625	16,647
Publications	562	391	953	11,527	21,453
Insurance	3,610	-	3,610	3,610	31,738
Telephone	486	339	825	2,008	1,882
Grant expenses	241	169	410	1,000	2,500
Postage	43	31	74	461	2,005
Interest and other	412	-	412	412	507
Total Expenses	\$ 1,010,480	\$ 1,032,049	\$ 2,042,529	\$ 6,663,999	\$ 6,823,667

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Cash Flows

Year Ended December 31, 2025

(With Summarized Comparative Information for 2024)

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 1,792,442	\$ 608,256
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	81,858	68,752
Change in the discount on long-term receivables	104,858	-
Changes in operating assets and liabilities:		
Accounts receivable	20,500	40,000
Grants and contributions receivable	(2,484,464)	516,336
Prepaid expenses	7,662	128,878
Accounts payable	(38,507)	(49,590)
Accrued payroll and benefits	54,264	70,309
Deferred revenue	(20,694)	20,694
Operating lease assets and liabilities	16,814	26,596
Net cash (used in) provided by operating activities	(465,267)	1,430,231
Cash Flows from Investing Activities		
Purchases of property and equipment	(255,283)	-
Net cash used in investing activities	(255,283)	-
Cash Flows from Financing Activities		
Payments on finance leases	(3,774)	(3,637)
Net cash used in financing activities	(3,774)	(3,637)
Net (Decrease) Increase in Cash and Cash Equivalents	(724,324)	1,426,594
Cash and Cash Equivalents , beginning of year	6,726,635	5,300,041
Cash and Cash Equivalents , end of year	<u>\$ 6,002,311</u>	<u>\$ 6,726,635</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 412</u>	<u>\$ 550</u>

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

1. Nature of Operations

National Center for Family Philanthropy, Inc. (the Organization) is a nonprofit organization which was incorporated in the State of Delaware in 1997. The Organization is the only national resource organization dedicated exclusively to families who give and those that work with them. The Organization's mission is to promote philanthropic values, vision, and excellence across generations of donors and donor families. The Organization's primary sources of revenue are grants and contributions, and registration fees and sponsorships for conferences and educational events.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recorded when the obligation is incurred.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers savings accounts, money market accounts, and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for credit loss. Accounts receivable are due under normal trade terms requiring payment within 30 days of the invoice date. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. However, the Organization has historically had insignificant write-offs due to credit loss. At December 31, 2025, there was no allowance for credit losses recorded.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional promises to give and are recorded at the earlier of the date received or the date of receipt of a donor's noncontingent promise or pledge. Unconditional promises to give that are expected to be collected in one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. There is no allowance for doubtful accounts as of December 31, 2025, based on management's evaluation of the collectability of pledges and grants receivable. Conditional promises to give are not recognized until the specific barriers or conditions have been met.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment over \$5,000 with a projected useful life exceeding one year are capitalized at cost. Depreciation of equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Leasehold improvements are amortized at the lesser of the useful life of the asset or the remaining term of the lease agreement. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the accounts, and the resulting gain or loss is reported on the statement of activities, as appropriate.

Leases

The Organization leases property and equipment under finance and operating leases. The Organization determines whether an arrangement is a lease at inception. For leases with terms greater than 12 months, the Organization records the related right-of-use assets and lease liabilities at the present value of lease payments over the term. Leases may include rental escalation clauses and options to extend or terminate the leases that are factored into the determination of lease payments when appropriate. The Organization does not separate lease and non-lease components of contracts. For the purposes of measuring the lease liabilities, the Organization uses the discount rate that is implicit in the lease if it is readily determinable or the risk-free rate from the U.S. Treasury constant maturities nominal rate based on the period comparable with that of each lease term.

Operating leases are included in right-of-use assets and operating lease liabilities on the accompanying statement of financial position. Operating lease expense is recognized on a straight-line basis over the lease term and is included in occupancy on the accompanying statement of functional expenses. Finance leases are included in right-of-use assets – finance lease and finance lease liabilities on the accompanying statement of financial position. Right-of-use assets under finance lease obligations are amortized on the straight-line method over the lease term or the estimated useful life of the equipment, whichever period is shorter. Such amortization is included with depreciation and amortization on the accompanying statement of functional expenses.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations. The Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. At December 31, 2025, the Organization did not have any board-designated net assets.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2025.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Grants and Contributions

The Organization receives grants and contributions from corporations, foundations, and other organizations to support various program services. The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, those with a measurable performance or other barriers and a right of return, are not recognized until the conditions on which they depend have been met. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. There were no conditional promises to give at December 31, 2025.

Other Revenue Recognition

The Organization recognizes knowledge center revenue when revenue is received. Publications sales are recognized as revenue when the items are sold. Registration fees and sponsorships are recorded as revenue when the event takes place. Consulting and interest income are recorded as revenue when earned.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, occupancy, and depreciation and amortization.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported on the financial statements and accompanying notes. Actual results could differ from those estimates.

Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

3. Grants and Contributions Receivable

Grants and contributions receivable as of December 31, 2025, are as follows:

Receivable in less than one year	\$ 1,135,000
Receivable in one to five years	<u>2,050,000</u>
Total grants and contributions receivable	3,185,000
Less: unamortized discount	<u>(104,858)</u>
Grants and contributions receivable, net	<u>\$ 3,080,142</u>

Grants and contributions due in more than one year are reflected at the present value of estimated future cash flows using an average discount rate of 4.18% as of December 31, 2025.

4. Concentrations

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash deposits. The Organization maintains cash deposits with various financial institutions that exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses on its cash deposits to date as it relates to FDIC limits. Management periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

In addition, the amounts due from two sources comprised 87% of the total accounts and grants and contributions receivable at December 31, 2025.

5. Property and Equipment

The Organization held the following property and equipment at December 31, 2025:

Website	\$ 529,285
Equipment	26,830
Furniture and fixtures	<u>16,783</u>
Total property and equipment	572,898
Less: accumulated depreciation and amortization	<u>(361,850)</u>
Property and equipment, net	<u>\$ 211,048</u>

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

6. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2025 reduced by amounts not available for general use within one year:

Financial assets:	
Cash and cash equivalents	\$ 6,002,311
Grants and contributions receivable	<u>3,080,142</u>
Total financial assets	9,082,453
Less those unavailable for general expenditures within one year:	
Donor-imposed restrictions	<u>(3,712,304)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,370,149</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a line of credit of \$300,000 available.

7. Line of Credit

The Organization maintains a line of credit for \$300,000 with the base interest based on the prime rate in effect on the first day of the month. There were no amounts outstanding as of December 31, 2025.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2025:

Subject to passage of time	\$ 3,153,476
Subject to expenditure for specified purposes:	
Family Philanthropy Guides	266,667
Advisor Community	97,161
Utah Family Cohort	95,833
Consulting	62,500
Fundamentals webinars	33,333
Impact Investing	<u>3,334</u>
Total net assets with donor restrictions	<u>\$ 3,712,304</u>

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

8. Net Assets With Donor Restrictions (continued)

During the year ended December 31, 2025, releases from the net assets with donor restrictions were for the following:

Expiration of time restrictions	\$ 267,497
Satisfaction of purpose restrictions:	
Advisor Community	433,305
Consulting	137,500
Impact Investing	136,667
Family Philanthropy Guides	133,333
Family Giving Lifecycle	94,987
Racial Equity	66,667
Utah Family Cohort	19,167
Fundamentals webinars	16,667
Democracy	16,666
Total releases for satisfaction of purpose restrictions	1,054,959
Total net assets released from restrictions	\$ 1,322,456

9. Operating Leases

The Organization entered into a 120-month office space lease agreement effective January 2016. The lease required monthly payments of \$14,888, an annual escalation each year, and a pro rata share of operating expenses and real estate taxes. The lease agreement specifies a rent abatement of ten months over a six-year period and a leasehold improvements allowance of \$279,150.

On March 7, 2023, the Organization signed a lease amendment to relocate its office space within the same building, effective June 1, 2023. The amendment extends the lease term until August 30, 2031, which also includes eight months of rent abatement allocated over two months in each of the first four lease years.

The balance of ROU operating assets is as follows at December 31, 2025:

Operating lease ROU asset – office space	\$ 1,847,744
Less: amortization of ROU operating asset	(517,071)
Net ROU asset – office space	\$ 1,330,673

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

9. Operating Leases (continued)

The table below presents a maturity analysis of the operating lease liability and a reconciliation of the total amount of the liability on the statement of financial position as of December 31, 2025:

For the years ending December 31:	
2026	\$ 225,463
2027	308,344
2028	316,053
2029	323,954
2030	332,053
Thereafter	<u>225,738</u>
Total future minimum lease payments	1,731,605
Less: amount of lease payments representing interest	<u>(177,989)</u>
Present value of future minimum lease payments	<u>\$ 1,553,616</u>

The Organization records rent expense on the straight-line method over the term of the lease. Rent expense for the year ended December 31, 2025 was approximately \$272,000, which is included in the occupancy expenses in the statements of functional expenses. For the year ended December 31, 2025, cash payments totaled \$250,359, which includes \$244,672 for base rent and \$5,687 for the allocable building costs.

At December 31, 2025, the remaining lease term for the Organization's operating lease is 5.67 years.

The weighted discount rate associated with operating lease as of December 31, 2025 is 3.61%.

10. Finance Leases

In January 2023, the Organization entered a finance lease obligation for office equipment due to expire by March 2028. In connection with the lease, the Organization recorded an ROU asset and a corresponding finance lease liability in the amount of \$19,938 using a 3.72% per annum interest rate. The ROU asset and finance lease liability are being amortized over the life of the lease agreement. At December 31, 2025, the unamortized balance of the ROU asset is \$8,545.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

10. Finance Leases (continued)

Future minimum lease payments at December 31, 2025 are as follows:

For the years ending December 31:		
2026	\$	4,187
2027		4,187
2028		<u>1,047</u>
Total future minimum lease payments		9,421
Less: amount of lease payments representing interest		<u>(398)</u>
Present value of future minimum lease payments	\$	<u><u>9,023</u></u>

Interest expense related to the finance lease for the year ended December 31, 2025 was \$412.

11. Retirement Plan

The Organization has established a pension plan, qualified under the Internal Revenue Code (IRC) 403(b), for the benefit of its eligible employees. For the year ended December 31, 2025, the Organization contributed \$164,040 on behalf of its employees to the plan which is included in salaries and related expenses on the accompanying statement of functional expenses.

12. Income Taxes

Under Section 501(c)(3) of IRC, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2025, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740, *Income Taxes*. These provisions 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 and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2025, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2025

13. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 22, 2026, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.