



NATIONAL CENTER FOR
FAMILY PHILANTHROPY

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2024

(With Summarized Comparative Information for the Year Ended December 31, 2023)

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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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



HAN GROUP LLC

Washington, DC
October 20, 2025

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Financial Position

December 31, 2024

(With Summarized Comparative Information for 2023)

	2024	2023
Assets		
Cash and cash equivalents	\$ 6,726,635	\$ 5,300,041
Accounts receivable	20,500	60,500
Pledges and grants receivable, net	700,536	1,216,872
Prepaid expenses	124,784	253,662
Security deposits	14,888	14,888
Property and equipment, net	33,825	98,779
Right-of-use assets – operating lease	1,535,130	1,734,371
Right-of-use assets – finance lease	12,342	16,140
Total assets	<u>\$ 9,168,640</u>	<u>\$ 8,695,253</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 97,116	\$ 146,706
Accrued payroll and benefits	140,923	70,614
Deferred revenue	20,694	-
Operating lease liabilities	1,741,259	1,913,904
Finance lease liabilities	12,797	16,434
Total liabilities	<u>2,012,789</u>	<u>2,147,658</u>
Net Assets		
Without donor restrictions	5,811,406	5,386,069
With donor restrictions	<u>1,344,445</u>	<u>1,161,526</u>
Total net assets	<u>7,155,851</u>	<u>6,547,595</u>
Total liabilities and net assets	<u>\$ 9,168,640</u>	<u>\$ 8,695,253</u>

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Activities

Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Grants and contributions	\$ 3,210,516	\$ 1,640,982	\$ 4,851,498	\$ 8,516,362
Registrations and sponsorships	1,785,680	-	1,785,680	583,663
Subscribing partners	291,437	-	291,437	307,900
Investment income, net	256,410	-	256,410	172,601
Consulting income	246,898	-	246,898	291,635
Loss on disposal of property and equipment	-	-	-	(70,387)
Other income	-	-	-	3,411
Net assets released from restrictions				
Expiration of time restrictions	568,337	(568,337)	-	-
Satisfaction of purpose restrictions	889,726	(889,726)	-	-
Total revenue and support	7,249,004	182,919	7,431,923	9,805,185
Expenses				
Program services:				
Learning and Action Cohort:				
Regrant	-	-	-	5,011,259
Other	572,114	-	572,114	319,856
Total Learning and Action Cohort	572,114	-	572,114	5,331,115
Events	1,601,871	-	1,601,871	652,427
Member Resources and Support	1,409,217	-	1,409,217	1,022,207
Program Support	571,581	-	571,581	547,942
Peer Networks	435,611	-	435,611	389,719
Fellows	226,197	-	226,197	166,022
Conferences and Speaking Engagements	179,873	-	179,873	172,128
Total program services	4,996,464	-	4,996,464	8,281,560
Supporting services:				
Management and general	965,056	-	965,056	1,490,931
Fundraising	862,147	-	862,147	927,882
Total supporting services	1,827,203	-	1,827,203	2,418,813
Total expenses	6,823,667	-	6,823,667	10,700,373
Change in Net Assets	425,337	182,919	608,256	(895,188)
Net Assets , beginning of year	5,386,069	1,161,526	6,547,595	7,442,783
Net Assets , end of year	\$ 5,811,406	\$ 1,344,445	\$ 7,155,851	\$ 6,547,595

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Functional Expenses

Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024							
	Program Services							Total
	Learning and Action Cohort	Events	Member Resources and Support	Program Support	Peer Networks	Fellow	Conferences and Speaking Engagements	Program Services
Salaries and related expenses	\$ 158,737	\$ 589,010	\$ 915,065	\$ 440,846	\$ 343,745	\$ 72,501	\$ 136,827	\$ 2,656,731
Professional services	377,344	220,140	261,216	47,560	28,678	130,404	10,159	1,075,501
Food and beverage	1,509	318,946	4,347	6,986	6,292	2,770	599	341,449
Occupancy	13,072	41,188	56,425	27,857	20,985	4,623	8,692	172,842
Meetings, conferences, and events	191	251,058	824	407	5,803	243	1,827	260,353
Travel	6,080	95,085	20,999	15,182	6,102	7,759	5,426	156,633
Accounting and payroll	496	1,562	2,140	1,057	796	175	330	6,556
Internet and technology	5,208	22,996	61,528	11,098	8,361	1,842	10,022	121,055
Bank charges	3,484	10,979	15,040	7,426	5,594	1,232	2,317	46,072
Depreciation and amortization	3,064	9,654	13,226	6,530	4,919	1,084	2,037	40,514
Marketing and media	65	10,802	47,011	138	104	23	43	58,186
Insurance	1,492	4,701	6,440	3,179	2,395	528	992	19,727
Publications	339	18,604	479	236	178	649	74	20,559
Office expenses	610	5,469	2,651	1,483	980	216	406	11,815
Dues and subscriptions	240	755	1,035	511	385	84	-	3,010
Grant expenses	24	74	101	50	38	2,008	16	2,311
Postage	45	488	196	792	73	16	30	1,640
Telephone	88	279	382	188	142	31	59	1,169
Other expenses	26	81	112	55	41	9	17	341
Total Expenses	\$ 572,114	\$ 1,601,871	\$ 1,409,217	\$ 571,581	\$ 435,611	\$ 226,197	\$ 179,873	\$ 4,996,464

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Functional Expenses (continued)

Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024			2023	
	Supporting Services				
	Management and General	Fundraising	Total Supporting Services	Total	Total
Salaries and related expenses	\$ 573,695	\$ 683,978	\$ 1,257,673	\$ 3,914,404	\$ 3,297,658
Professional services	72,327	50,623	122,950	1,198,451	943,770
Food and beverage	3,501	14,092	17,593	359,042	172,069
Occupancy	61,934	43,311	105,245	278,087	231,283
Meetings, conferences, and events	905	632	1,537	261,890	73,589
Travel	10,447	19,966	30,413	187,046	222,520
Accounting and payroll	173,248	1,643	174,891	181,447	167,747
Internet and technology	24,675	17,255	41,930	162,985	157,517
Bank charges	14,619	11,545	26,164	72,236	31,614
Depreciation and amortization	18,086	10,152	28,238	68,752	105,946
Marketing and media	307	215	522	58,708	127,571
Insurance	7,068	4,943	12,011	31,738	33,752
Publications	526	368	894	21,453	37,627
Office expenses	2,810	2,022	4,832	16,647	46,195
Dues and subscriptions	82	795	877	3,887	33,436
Grant expenses	111	78	189	2,500	5,011,259
Postage	215	150	365	2,005	1,114
Telephone	420	293	713	1,882	4,730
Other expenses	80	86	166	507	976
Total Expenses	\$ 965,056	\$ 862,147	\$ 1,827,203	\$ 6,823,667	\$10,700,373

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Statement of Cash Flows

Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 608,256	\$ (895,188)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	68,752	105,946
Net realized and unrealized loss on investments	-	580
Loss on disposal of property and equipment	-	70,387
Change in operating assets and liabilities:		
Accounts receivable	40,000	(60,500)
Pledges and grants receivable	516,336	(236,840)
Prepaid expenses	128,878	(177,888)
Accounts payable	(49,590)	23,284
Accrued payroll and benefits	70,309	(84,105)
Deferred revenue	20,694	(2,500)
Operating lease assets and liabilities	26,596	(3,277)
Net cash provided by (used in) operating activities	1,430,231	(1,260,101)
Cash Flows from Investing Activities		
Proceeds from sale of investments	-	53,313
Purchases of property and equipment	-	(16,783)
Net cash provided by investing activities	-	36,530
Cash Flows from Financing Activities		
Payments on finance leases	(3,637)	(5,386)
Net cash used in financing activities	(3,637)	(5,386)
Net Increase (Decrease) in Cash and Cash Equivalents	1,426,594	(1,228,957)
Cash and Cash Equivalents, beginning of year	5,300,041	6,528,998
Cash and Cash Equivalents, end of year	<u>\$ 6,726,635</u>	<u>\$ 5,300,041</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 550</u>	<u>\$ 976</u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Right-of-use asset received in exchange for operating lease amendment	<u>\$ -</u>	<u>\$ 1,450,604</u>
Right-of-use asset received in exchange for finance lease	<u>\$ -</u>	<u>\$ 19,938</u>

See accompanying notes.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2024

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, 2024, the allowance for credit losses was not recorded due to immateriality.

Pledges and Grants Receivable

Pledges and grants 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, 2024 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, 2024, the Organization did not have any board designated net asset.
- *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, 2024.

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 barrier 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, 2024.

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.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2024

3. Pledges and Grants Receivable

Pledges and grants receivable as of December 31, 2024, are as follows:

Receivable in less than one year	\$ 424,443
Receivable in one to five years	<u>300,000</u>
Total pledges and grants receivable	724,443
Less: unamortized discount	<u>(23,907)</u>
Pledges and grants receivable, net	<u>\$ 700,536</u>

Pledges and grants due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4.27% as of December 31, 2024.

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 three sources comprised 74% of the total accounts and pledges and grants receivable at December 31, 2024.

5. Property and Equipment

The Organization held the following property and equipment at December 31, 2024:

Website	\$ 277,775
Equipment	23,057
Furniture and fixtures	<u>16,783</u>
Total property and equipment	317,615
Less: accumulated depreciation	<u>(283,790)</u>
Property and equipment, net	<u>\$ 33,825</u>

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2024

6. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2024 reduced by amounts not available for general use within one year.

Financial assets:	
Cash and cash equivalents	\$ 6,726,635
Accounts receivable	20,500
Pledges and grants receivable	<u>700,536</u>
Total financial assets	7,447,671
Less those unavailable for general expenditures within one year:	
Donor-imposed restrictions	<u>(1,344,445)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,103,226</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, 2024.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2024:

Subject to passage of time	\$ 751,925
Subject to expenditure for specified purposes:	
Advisor Community	264,200
Impact Investing	120,833
Family Giving Lifecycle	74,154
Racial Equity	66,667
Consulting	50,000
Democracy	<u>16,666</u>
Total net assets with donor restrictions	<u>\$ 1,344,445</u>

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2024

8. Net Assets With Donor Restrictions (continued)

During the year ended December 31, 2024, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	\$ 568,337
Satisfaction of purpose restrictions:	
Research	175,000
Family Giving Lifecycle	145,826
Democracy	133,333
Consulting	100,000
Fellows	100,000
Advisor Community	88,067
Knowledge Center	60,000
Impact Investing	54,167
Racial Equity	33,333
Total net assets released from donor restrictions	<u>\$ 1,458,063</u>

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, and 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, 2024:

Operating lease ROU assets – building	\$ 1,847,744
Amortization of ROU operating assets – building	<u>(312,614)</u>
Net operating ROU assets	<u>\$ 1,535,130</u>

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2024

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, 2024:

For the years ending December 31:	
2025	\$ 219,361
2026	249,554
2027	308,344
2028	316,053
2029	323,954
Thereafter	<u>557,791</u>
Total future minimum lease payments	1,975,057
Less: amount of lease payments representing interest	<u>(233,798)</u>
Present value of future minimum lease payments	1,741,259
Less: current obligations under lease	<u>(164,217)</u>
Long-term lease obligations	<u>\$ 1,577,042</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, 2024 was approximately \$266,000.

At December 31, 2024, the remaining lease term for the Organization's operating lease is 6.67 years.

The weighted discount rate associated with operating lease as of December 31, 2024 is 3.61%.

10. Finance Lease

In January 2023, the Organization entered a finance lease obligation for equipment due to expire by March 2028. In connection with the lease, the Organization recorded ROU assets and 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 agreements. At December 31, 2024, the unamortized balance of the ROU assets is \$12,342.

NATIONAL CENTER FOR FAMILY PHILANTHROPY, INC.

Notes to Financial Statements

December 31, 2024

10. Finance Lease (continued)

Future minimum lease payments at December 31, 2024 are as follows:

For the years ending December 31:	
2025	\$ 4,187
2026	4,187
2027	4,187
2028	<u>1,047</u>
Total future minimum lease payments	13,608
Less: amount of lease payments representing interest	<u>(811)</u>
Present value of future minimum lease payments	12,797
Less: current obligations under leases	<u>(3,774)</u>
Long-term lease obligations	<u>\$ 9,023</u>

Interest expense related to the finance lease for the year ended December 31, 2024 was \$550.

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, 2024, the Organization contributed \$146,471 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, 2024, 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, 2024, 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, 2024

13. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 20, 2025, 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.