



CHALLENGING GRANTMAKERS TO STRENGTHEN COMMUNITIES

# **NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

## **Financial Statements**

*For the Year Ended September 30, 2008*

*(With Summarized Financial Information for the Year Ended September 30, 2007)*



**and  
Report Thereon**





## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
National Committee for Responsive Philanthropy

CONSULTING  
ACCOUNTING  
TECHNOLOGY

*Certified Public  
Accountants*

We have audited the accompanying statement of financial position of the National Committee for Responsive Philanthropy (NCRP) as of September 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of NCRP's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from NCRP's 2007 financial statements and, in our report dated January 11, 2008, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NCRP's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NCRP as of September 30, 2008 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information for the year ended September 30, 2008 has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
**RAFFA, P.C.**

Washington, DC  
December 19, 2008

**NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

**STATEMENT OF FINANCIAL POSITION**

September 30, 2008

(With Summarized Financial Information as of September 30, 2007)

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 144,576	\$ 599,656
Investments	1,740,836	641,331
Grants and contributions receivable	50,000	260,000
Accounts receivable	9,334	-
Prepaid expenses	18,353	17,936
	<u>1,963,099</u>	<u>1,518,923</u>
Total Current Assets		
Property and equipment, net	<u>12,252</u>	<u>20,727</u>
	<u>\$ 1,975,351</u>	<u>\$ 1,539,650</u>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 52,595	\$ 34,850
Accrued expenses	17,514	7,534
	<u>70,109</u>	<u>42,384</u>
<b>TOTAL LIABILITIES</b>		
Net Assets		
Board designated funds	555,000	480,000
Undesignated funds	1,292,742	741,709
Total Unrestricted	<u>1,847,742</u>	<u>1,221,709</u>
Temporarily restricted	<u>57,500</u>	<u>275,557</u>
	<u>1,905,242</u>	<u>1,497,266</u>
<b>TOTAL NET ASSETS</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,975,351</u>	<u>\$ 1,539,650</u>

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

**NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2008**  
(With Summarized Financial Information for the Year Ended September 30, 2007)

	Unrestricted	Temporarily Restricted	2008 Total	2007 Total
<b>SUPPORT AND REVENUE</b>				
Foundation grants	\$ 900,800	\$ 207,500	\$ 1,108,300	\$ 565,100
Membership dues	202,349	-	202,349	111,974
Interest and dividends	49,738	-	49,738	68,421
Contributions	15,917	-	15,917	9,041
Publications	2,872	-	2,872	5,764
Miscellaneous	1,797	-	1,797	1,428
Contracts and service agreements	500	-	500	1,009
Net assets released from restrictions:				
Satisfaction of program restrictions	140,557	(140,557)	-	-
Satisfaction of time restrictions	285,000	(285,000)	-	-
	<b>1,599,530</b>	<b>(218,057)</b>	<b>1,381,473</b>	<b>762,737</b>
<b>EXPENSES</b>				
<b>Program Services</b>				
Communications	-	-	-	232,206
Members, alliances and campaigns	418,647	-	418,647	-
Standards and watchdogging	153,149	-	153,149	-
Impact of advocacy and organizing	101,820	-	101,820	-
Social Justice	14,008	-	14,008	175,949
Accountability	-	-	-	144,730
Constituent Services	-	-	-	66,993
Workplace Philanthropy	-	-	-	5,044
Total	687,624	-	687,624	624,922
<b>Supporting Services</b>				
Administrative	183,248	-	183,248	277,370
Fundraising	102,625	-	102,625	64,032
Total	285,873	-	285,873	341,402
	<b>973,497</b>	<b>-</b>	<b>973,497</b>	<b>966,324</b>
Change in Net Assets	626,033	(218,057)	407,976	(203,587)
NET ASSETS, BEGINNING OF YEAR	1,221,709	275,557	1,497,266	1,700,853
NET ASSETS, END OF YEAR	\$ 1,847,742	\$ 57,500	\$ 1,905,242	\$ 1,497,266

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

**NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended September 30, 2008**  
**(With Summarized Financial Information for the Year Ended September 30, 2007)**  
**Increase (Decrease) in Cash and Cash Equivalents**

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 407,976	\$ (203,587)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Unrealized (gain)/loss	-	(93)
Depreciation	9,726	13,408
Changes in assets and liabilities:		
Grants and contributions receivable	210,000	(45,000)
Accounts receivable	(9,334)	419
Prepaid expenses	(417)	2,451
Accounts payable	17,745	(30,836)
Accrued expenses	9,980	3,957
	<b>645,676</b>	<b>(259,281)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(1,603,434)	(533,578)
Proceeds from sales of investments	503,929	931,495
Purchases of property and equipment	(1,251)	(13,809)
	<b>(1,100,756)</b>	<b>384,108</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on capital lease obligations	-	(2,631)
	<b>-</b>	<b>(2,631)</b>
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(455,080)</b>	<b>122,196</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>599,656</b>	<b>477,460</b>
<b>CASH, END OF YEAR</b>	<b>\$ 144,576</b>	<b>\$ 599,656</b>

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

# **NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

---

### 1. Organization and Summary of Significant Accounting Policies

#### **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 purposes for which NCRP was organized are as follows:

- To establish a forum broadly representative of all segments of the public to exchange information and views with respect to important public issues;
- To conduct charitable activities designed to improve the morale and sense of public involvement of disadvantaged minority groups and other citizens of the United States of America;
- To monitor the operations of public and private philanthropic institutions and programs to determine their responsiveness to public needs;
- To conduct research directed toward questions of public and private sector responsiveness to public needs, including the accessibility of institutions to disadvantaged minorities and other groups within the citizenry;
- To educate the public and persons able to influence philanthropic processes and priorities of the needs of disadvantaged minorities and other groups within the citizenry and how those needs can best be met;
- To issue publications, newsletters, studies, filings and other materials on questions of citizenship involvement in public and private processes and all other subjects relevant to NCRP's charitable objectives.

#### **Cash and Cash Equivalents**

NCRP considers all highly liquid investments not held for long-term investment purposes with purchased maturities of three months or less to be cash equivalents.

#### **Investments**

Investments consist of money certificates of deposits. These investments are reported at fair value based on quoted market prices.

**Continued**

# **NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

---

1. Organization and Summary of Significant Accounting Policies (continued)

### **Property and Equipment and Related Depreciation and Amortization**

Property and equipment consist principally of office furniture and related equipment, 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 computer equipment and five years for other office equipment and furniture, or the terms of the respective capital leases. 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 income.

### **Classification of Net Assets**

The net assets of NCRP are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of NCRP's operations. Board designated funds represent amounts to be used as a reserve fund.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors or grantors for various purposes or future time periods.

### **Revenue Recognition**

NCRP reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the accompanying statement of activities as net assets released from restrictions.

Unrestricted contributions and grants are reported as revenue in the year in which the payments are received and/or unconditional promises are made. Revenue recognized on contributions that have been committed to NCRP but have not been received is reflected as contributions receivable on the accompanying statement of financial position. Revenue from contract and service agreements is recognized as expenses are incurred to meet the related conditions of the contract or agreement.

**NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

---

1. Organization and Summary of Significant Accounting Policies (continued)

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities of NCRP have been allocated among the programs and supporting services benefited based on direct costs and an allocated portion of shared costs.

**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. Accordingly, actual results could differ from those estimates.

2. Investments

As of September 30, 2008, investments held by NCRP consisted of certificates of deposits with a cost and a market value of \$1,740,836.

Investment income for the year ended September 30, 2008 consisted of interest of \$49,738.

3. Property, Equipment and Accumulated Depreciation

NCRP held the following property and equipment as of September 30, 2008:

Fixtures and equipment	\$ 47,633
Computers	13,358
Less: accumulated depreciation	<u>(48,740)</u>
Property and equipment	<u>\$ 12,252</u>

Continued



**NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

---

4. Temporarily Restricted Net Assets

Temporarily restricted net assets as of September 30, 2008 of \$57,500 are available for use during fiscal year 2009.

5. Operating Leases

NCRP rents office space for its headquarters and other offices. The lease for its headquarters space expires January 31, 2010. Total office rent expense for the year ended September 30, 2008 was \$56,049.

NCRP also rents equipments from GE capital under non-cancelable operating leases.

As of September 30, 2008, future minimum lease payments required under these operating leases are as follows:

For the Years Ending  
September 30,

2009	\$ 52,487
2010	21,918
2011	5,310
2012	<u>1,512</u>
	<u>\$ 81,227</u>

6. Pension Plan

NCRP employees are eligible to participate in a defined contribution pension plan. Contributions are made by NCRP to the plan at the rate of 8% of an employee's salary. The employee obtains an immediate vested interest in the amount contributed to their pension account. Upon retirement, the employee has several options for payment of the balance in their pension account. Pension expense for the year ended September 30, 2008 was \$34,739.

**NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

---

7. Line of Credit

NCRP has a \$100,000 line of credit with a financial institution. The interest rate is calculated based on a rate of 1% over the lender's index rate that is pre-negotiated. The line of credit agreement expires May 25, 2009. No amounts were advanced under this agreement during the year ended September 30, 2008.

8. Income Taxes

NCRP is a nonprofit organization exempt from federal taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. No provision for federal or state income taxes is required as of September 30, 2008 as NCRP had no taxable net unrelated business income.

9. Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class and functional area. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with NCRP's financial statements for the year ended September 30, 2007, from which the summarized information was derived.

**SUPPLEMENTAL INFORMATION**

**NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY**

**SCHEDULE OF FUNCTIONAL EXPENSES**

For the Year Ended September 30, 2008

(With Summarized Financial Information for the Year Ended September 30, 2007)

	Members alliances and campaigns	Social Justice	Standards and Watchdogging	Impact of Advocacy/ Organizing	Total Program Services	Administrative	Fundraising	2008 Total	2007 Total
Salaries	\$ 146,116	\$ 4,689	\$ 73,716	\$ 49,213	\$ 273,734	\$ 115,857	\$ 48,259	\$ 437,850	\$ 220,851
Payroll taxes and fringe benefits	53,557	1,660	26,104	17,419	98,740	41,752	17,077	157,569	91,191
Consulting fees	62,862	1,522	4,930	-	69,314	13,610	-	82,924	306,952
Travel, meals, and entertainment	39,376	38	3,638	7,036	50,088	14,201	738	65,027	41,755
Rent	-	-	-	-	-	56,049	-	56,049	49,923
Professional fees	12,055	-	-	-	12,055	39,399	-	51,454	39,614
Miscellaneous	908	-	2,518	-	3,426	24,075	8,949	36,450	42,198
Furniture and equipment and software	252	-	-	-	252	18,344	-	18,596	29,043
Printing	11,826	2,756	-	-	14,582	769	-	15,351	13,056
Dues and subscriptions	1,489	680	522	330	3,021	10,376	70	13,467	17,813
Postage, mailing and delivery	4,089	60	138	71	4,358	4,969	620	9,947	6,903
Depreciation	-	-	-	-	-	9,726	-	9,726	13,408
Telephone and internet	1,046	-	637	222	1,905	7,225	126	9,256	10,276
Office supplies	25	-	-	207	232	5,139	-	5,371	6,171
NCRP conferences and workshops	3,860	-	-	-	3,860	-	-	3,860	11,973
Interns	-	-	-	-	-	600	-	600	33,752
Temporary help	-	-	-	-	-	-	-	-	31,445
Indirect cost allocation	81,186	2,603	40,946	27,322	152,057	(178,843)	26,786	-	-
<b>Total Expenses</b>	<b>\$ 418,647</b>	<b>\$ 14,008</b>	<b>\$ 153,149</b>	<b>\$ 101,820</b>	<b>\$ 687,624</b>	<b>\$ 183,248</b>	<b>\$ 102,625</b>	<b>\$ 973,497</b>	<b>\$ 966,324</b>