

Charity Navigator

***FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT***

YEARS ENDED JUNE 30, 2025 AND 2024

CHARITY NAVIGATOR

Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Charity Navigator
Saddle Brook, New Jersey

Opinion

We have audited the accompanying financial statements of Charity Navigator (a nonprofit organization), which comprise the balance sheets as of June 30, 2025 and 2024, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charity Navigator as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Charity Navigator and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Charity Navigator's ability to continue as a going concern within 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 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 Charity Navigator'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 Charity Navigator'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.

Dorfman Abrams Music, LLC

Saddle Brook, New Jersey
February 12, 2026

CHARITY NAVIGATOR

BALANCE SHEETS

ASSETS

	June 30,	
	<u>2025</u>	<u>2024</u>
Cash and cash equivalents (Notes 2, 3 and 4)	\$ 1,310,128	\$ 1,716,172
Investments (Notes 2, 3, 4, 5 and 6)	6,537,915	6,283,092
Accounts receivable (Notes 2 and 3)	6,000	
Contributions receivable, net (Notes 2, 4 and 7)	883,087	402,893
Prepaid expenses and other assets	197,256	385,053
Security deposits	21,991	21,991
Operating lease right-of-use asset (Notes 2 and 9)	15,713	107,216
Property and equipment, net (Notes 2 and 8)	11,128	28,690
	<u>\$ 8,983,218</u>	<u>\$ 8,945,107</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 381,551	\$ 297,271
Accrued expenses	510,011	445,725
Operating lease obligation (Notes 2 and 9)	16,128	109,749
	<u>907,690</u>	<u>852,745</u>
Net assets (Notes 2, 4 and 10):		
Without donor restrictions	6,889,194	7,548,956
With donor restrictions	1,186,334	543,406
	<u>8,075,528</u>	<u>8,092,362</u>
Total net assets	<u>8,075,528</u>	<u>8,092,362</u>
Total liabilities and net assets	<u>\$ 8,983,218</u>	<u>\$ 8,945,107</u>

CHARITY NAVIGATOR
STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (16,834)	\$ (685,783)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Stock donations	(51,220)	(43,591)
Depreciation	17,562	19,383
Operating lease obligation	(93,621)	(86,841)
Amortization of operating lease right-of-use assets	91,503	86,979
Discount on contributions receivable	(14,204)	13,343
Realized and unrealized gains on investments	(427,290)	(547,301)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(6,000)	
Contributions receivable	(465,990)	546,398
Prepaid expenses and other assets	187,797	(115,487)
Increase (decrease) in:		
Accounts payable	84,280	116,148
Accrued expenses	64,286	80,502
	(629,731)	(616,250)
Net cash used by operating activities		
Cash flows from investing activities:		
Purchase of investments	(205,951)	(251,825)
Proceeds from sale of investments	429,638	1,829,824
Purchase of property and equipment		(8,308)
	223,687	1,569,691
Net cash provided by investing activities		
Net change in cash and cash equivalents	(406,044)	953,441
Cash and cash equivalents, beginning of year	1,716,172	762,731
Cash and cash equivalents, end of year	\$ 1,310,128	\$ 1,716,172

See Notes to Financial Statements.

CHARITY NAVIGATOR

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2025 and 2024

	Program services expenses		Supporting services expenses				Total expenses			
	Charity ratings		General and administration		Development and fundraising			Total		
	2025	2024	2025	2024	2025	2024				
Salaries and wages	\$ 2,990,990	\$ 2,969,091	\$ 468,561	\$ 511,212	\$ 583,366	\$ 485,528	\$ 1,051,927	\$ 996,740	\$ 4,042,917	\$ 3,965,831
Payroll taxes	238,721	239,354	37,833	41,075	47,069	37,696	84,902	78,771	323,623	318,125
Employee benefits and pension	359,042	400,334	72,235	80,976	84,874	58,449	157,109	139,425	516,151	539,759
Total personnel costs	3,588,753	3,608,779	578,629	633,263	715,309	581,673	1,293,938	1,214,936	4,882,691	4,823,715
Contracted services	958,302	931,455	73,354	86,552	26,396	10,211	99,750	96,763	1,058,052	1,028,218
Outreach and education	295,086	468,993							295,086	468,993
Technology expenses	500,577	538,837	29,738	21,503	84,290	34,559	114,028	56,062	614,605	594,899
Marketing costs	551,103	588,084	3,105	20,506	6,000	46,940	9,105	67,046	560,208	655,130
Bank fees			151,952	118,850			151,952	118,850	151,952	118,850
Professional fees	97,767	111,832	74,570	77,807	34,047	5,745	108,617	83,552	206,384	195,384
Occupancy	81,498	80,589	11,904	14,354	15,454	13,049	27,358	27,403	108,856	107,992
Postage and shipping	74	27	976	1,409	30,292	47,120	31,268	48,529	31,342	48,556
Staff training and development	250	1,092	13,812	20,598	391	1,769	14,203	22,367	14,453	23,459
Printing and publication		842	524	528	85,208	56,609	85,732	57,137	85,732	57,979
Travel and transportation	33,704	43,919	8,488	18,243	9,335	14,054	17,823	32,297	51,527	76,216
Insurance	30,836	31,331	5,607	5,324	5,052	5,832	10,659	11,156	41,495	42,487
Office and miscellaneous	3,363	4,904	20,705	13,648	4,418	4,731	25,123	18,379	28,486	23,283
Telephone and internet	8,911	13,017	5,315	6,077	1,659	2,092	6,974	8,169	15,885	21,186
Depreciation	4,763	3,240	12,799	16,143			12,799	16,143	17,562	19,383
Registration fees and taxes			863		11,558	7,731	12,421	7,731	12,421	7,731
Meetings and conferences	6,541	4,322	1,596	398	605	5,775	2,201	6,173	8,742	10,495
Total expenses	\$ 6,161,528	\$ 6,431,263	\$ 993,937	\$ 1,055,203	\$ 1,030,014	\$ 837,490	\$ 2,023,951	\$ 1,992,693	\$ 8,185,479	\$ 8,323,956

See Notes to Financial Statements.

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

1. Nature of the Organization

Charity Navigator (the Organization) aims to make impactful giving easier for all by providing accessible information, ratings, and tools for donors and by presenting charities with information that helps them operate more effectively. The Organization democratizes philanthropy, allows donors of every wealth segment to feel confident in their giving decisions, and highlights organizations doing important work worldwide.

The Organization's expert insights and ratings are impartial and provided free of charge. The Organization's guidance helps nonprofit organizations operate efficiently, promote organizational sustainability, and inspire donor confidence.

Since 2001, it has been empowering millions of donors by providing them free access to data, tools, and resources to guide philanthropic decision-making. The ratings provide nonprofits with the sector's premier trust indicator and a powerful platform to raise awareness and funds.

As of June 30, 2025, Charity Navigator's database includes more than 1.6 million U.S. registered nonprofits, with over 242,561 nonprofits evaluated through the Encompass Rating System. The Encompass Rating System, launched in July 2020, provides donors with comprehensive evaluations of the total impact of nonprofits rated via four beacons: Finance & Accountability (242,119), Impact & Measurement (7,925), Leadership & Adaptability (13,305), and Culture & Community (19,387).

In 2024, Charity Navigator created or updated more than 50 curated lists of recommended charities, leveraging its deep expertise in assessing charity performance. These lists cover a broad range of issues, from responses to crises to specific cause-based recommendation, helping donors find organizations aligned with their values.

Additionally, in the Fall of 2024, Charity Navigator launched Causeway, an innovative new offering. Causeway features collections of highly effective, top-rated charities focused on driving significant change for particular issues. These collections include dedicated funds addressing major challenges such as global poverty, climate change, hunger and homelessness.

More than 8 million donors accessing the Organization each year give with confidence, knowing which organizations are highly rated, trustworthy, and impactful. While the organization has a large footprint and an established, trusted brand, the team of approximately 40 considers itself small but mighty.

Between July 1, 2024 and June 30, 2025, site visitors donated \$50,000,000+ to over 26,000 nonprofits through the Organization's Giving Basket.

Like the nonprofits it rates, the Organization is a 501(c)(3) nonprofit, too. It doesn't charge the organizations it evaluates, ensuring its ratings remain objective. In turn, it depends on the generosity of individuals, foundations, and corporations to fund its programs.

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and its trustees.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to realized and unrealized gains (losses) on investments, and other activities considered to be of a more unusual or nonrecurring nature.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of demand deposit accounts with maturities of three months or less and money market funds.

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the balance sheet. Unrealized gains and losses are included in the change in net assets without donor restriction for the gains and losses that are unrestricted, and in the change in net assets with donor restriction for the gains and losses that are restricted for the support of certain programs. Investment fees are netted against the investment income.

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

2. Summary of significant accounting policies (continued)

Fair value measurement

U.S. GAAP establishes 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 and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs that are not considered to be active;

Level 3 - Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

Accounts receivable

Accounts receivable primarily consist of amounts unpaid from data sales. All accounts receivable are expected to be collected within one year.

Allowance for credit losses

The Organization uses the allowance method to account for uncollectible accounts. The allowance, if needed, is based on prior years' experience and management's analysis of possible credit loss. As of June 30, 2025 and 2024, the Organization determined that an allowance was not necessary.

Contributions receivable

Contributions receivable consists of unconditional promises to give that are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their 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. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

2. Summary of significant accounting policies (continued)

Allowance for doubtful accounts

The Organization uses the allowance method to account for uncollectible contributions receivable. The allowance, if any, is based on prior years' experience and management's analysis of possible bad debt. As of June 30, 2025 and 2024, the Organization determined that an allowance was not necessary.

Property and equipment

Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. The cost of property and equipment purchased in excess of \$3,000 is capitalized. Depreciation is provided in amounts sufficient to amortize the cost of the property and equipment over the estimated useful lives on a straight-line basis.

Software	3 - 5 years
Furniture and equipment	3 - 7 years
Leasehold improvements	5 - 11 years

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income except for assets traded where no cash is received. Expenditures for maintenance and repairs are charged to expenses as incurred; replacements and betterments that extend the useful lives are capitalized.

Operating lease - right-of-use asset

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet in accordance with ASU No. 2016-02, Leases. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less) and leases below the ROU assets capitalization policy of \$50,000 per lease. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give – that is, 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.

The Organization recognizes revenue from sales of data during the year in which the data is provided to its customers. The performance obligation of delivering data is simultaneously received, consumed and paid for by the customers at the point of sale; therefore, revenue is recognized at the point of sale.

Subsequent to the year end, the Organization launched a new revenue stream to grant access to its data products and its application programming interface for a fee (license fee). During the license term, licensees will have the ability to make Charity Navigator's four-star ratings available in the licensees' sites. Licensee fees will be recognized during the period of the license term as per license agreements.

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

2. Summary of significant accounting policies (continued)

Contributions of nonfinancial assets - donated services

Contributions of nonfinancial assets are recorded at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used.

Donated subscriptions have been recognized on the accompanying financial statements. These donated subscriptions would typically be purchased if not provided by donation and are valued using estimated U.S. wholesale prices (principal market) of identical or similar products. During the year ended June 30, 2025, the Organization benefited from donated software valued at \$49,500. These services were recognized as donated services on the statement of activities. The services were included within technology expenses on the statement of functional expenses, as follows.

	2025			
	Program services	Management and general	Fundraising	Total
<u>Donated services:</u>				
Technology expenses	\$ 49,500	\$ _____	\$ _____	\$ 49,500

There were no donated subscriptions received during the fiscal year ended June 30, 2024.

Contributions of nonfinancial assets - donated advertising

During the years ended June 30, 2025 and 2024, a significant amount of Google AdWords were donated to the Organization via the Google Ad Grant program. Google AdWords provides online advertising by displaying a message to people who are searching for the Organization's services. As a qualifying nonprofit, the Organization normally receives up to \$45,000 of in-kind AdWords advertising every month.

The Organization received a total of 51,374 and 74,936 ad clicks with a total value of \$295,086 and \$468,993, respectively. The Organization recognized the contributions on the statement of activities and also as Outreach and education expense on the statement of functional expenses, totaling \$295,086 and \$468,993 for the years ended June 30, 2025 and 2024, respectively, as follows.

	2025			
	Program services	Management and general	Fundraising	Total
Outreach and education	\$ 295,086	\$ _____	\$ _____	\$ 295,086

	2024			
	Program services	Management and general	Fundraising	Total
Outreach and education	\$ 468,993	\$ _____	\$ _____	\$ 468,993

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

2. Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort.

Income taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation.

3. Risks and uncertainties

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable, and contributions receivable. The Organization maintains its cash and cash equivalents in bank deposit accounts, the balance, of which, at times, may exceed federally insured limits. Investments are exposed to various risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported on the financial statements. Concentrations of credit risk with respect to accounts receivable are limited due to the generally short payment terms. Concentrations of credit risk with respect to contributions receivable are limited due to the contributions are from various contributors and private foundations. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

4. Availability and liquidity

The following represents the Organization's financial assets at June 30, 2025:

Financial assets at year end

Cash and cash equivalents	\$ 1,310,128
Investments	6,537,915
Accounts receivable	6,000
Contributions receivable – one year or less	<u>883,087</u>
 Total financial assets	 <u>8,737,130</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	1,186,334
Less net assets with time and purpose restrictions to be met in less than a year	<u>(895,780)</u>
	<u>290,554</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,446,576</u>
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The Organization's goal is generally to maintain financial assets to meet 180 days of operating expenses, net of in-kind contributions. As part of its liquidity plan, excess cash is invested in short-term investments, including a money market account. In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including grants, fees for services, and contributions.

5. Investments

Investment securities are stated at fair value and summarized as follows at June 30:

	2025		2024	
	Cost	Carrying value	Cost	Carrying value
Mutual funds	<u>\$ 5,689,325</u>	<u>\$ 6,537,915</u>	<u>\$ 5,659,424</u>	<u>\$ 6,283,092</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30:

	2025	2024
Dividend and interest income	\$ 246,098	\$ 214,531
Realized and unrealized gains on investments	<u>427,290</u>	<u>547,301</u>
	<u>\$ 673,388</u>	<u>\$ 761,832</u>

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

6. Fair value measurement

The classification of the Organization's investment securities at fair value are as follows at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 6,537,915	\$	\$	\$ 6,537,915
	<u>\$ 6,537,915</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,537,915</u>

The classification of the Organization's investment securities at fair value are as follows at June 30, 2024:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 6,283,092	\$	\$	\$ 6,283,092
	<u>\$ 6,283,092</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,283,092</u>

7. Contributions receivable

Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free interest rates at the time of the contribution, approximately 4.57% at June 30, 2024. Contributions receivable consisted of the following at June 30, 2025 and 2024:

	2025	2024
One year or less	\$ 883,087	\$ 92,097
Two to five years		325,000
	<u>883,087</u>	<u>417,097</u>
Less discount on contributions receivable		14,204
	<u>\$ 883,087</u>	<u>\$ 402,893</u>

8. Property and equipment

A summary of property and equipment is as follows at June 30:

	2025	2024
Furniture	\$ 24,963	\$ 24,963
Software	6,050	6,050
Equipment	141,765	141,765
Leasehold improvements	17,980	17,980
	<u>190,758</u>	<u>190,758</u>
Less accumulated depreciation	179,630	162,068
	<u>\$ 11,128</u>	<u>\$ 28,690</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$17,562 and \$19,383, respectively.

CHARITY NAVIGATOR
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

9. Operating lease right-of-use asset

The Organization's operating lease consists of a real estate lease for its office space, which expired on August 31, 2025. The Organization evaluated the current contract to determine if it met the criteria of a lease. The right-of-use (ROU) asset represents the Organization's right to use underlying assets for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from the lease. The ROU asset and lease liability which arises from this operating lease was calculated based on the present value of the future lease payments over the lease term. It does not include a renewal period because it is not considered reasonably certain. The Organization has made an accounting policy election to use the Daily SOFR (Secured Overnight Financing Rate) rate to discount future lease payments.

The following summarizes the line items in the balance sheet which include amounts for an operating lease as of June 30:

	2025	2024
Operating lease right-of-use asset	\$ 15,713	\$ 107,216
Operating lease obligation	\$ 16,128	\$ 109,749

Operating lease cost is included in occupancy on the statement of functional expenses. The components of operating lease expenses for the years ended June 30 are as follows:

	2025	2024
Operating lease cost	\$ 94,494	\$ 94,494

The following summarizes the cash flow information related to the operating lease for the years ended June 30:

Cash paid for amounts included in the measurement of lease liability:

	2025	2024
Operating cash flows for operating lease	\$ 96,611	\$ 94,355

The weighted-average lease term and discount rate applied to calculate lease liabilities as of June 30 are as follows:

	2025	2024
Weighted average remaining lease term	2 months	14 months
Weighted average discount rate	5.00%	5.00%

Future maturities of operating lease liability are presented in the following table, for the fiscal years ending June 30:

2026	\$ 16,164
Less present value discount	(36)
Total lease obligation	\$ 16,128

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10. Net assets

Net assets were as follows for the years ended June 30, 2025 and 2024:

	2025			2024		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restriction</u>	<u>Total</u>
Undesignated	\$ 6,889,194	\$	\$6,889,194	\$ 7,548,956	\$	\$7,548,956
Specific purpose:						
Analyze trends and support local nonprofits to reach more donors					103,700	103,700
Exploration of using AI in philanthropic tools		85,780	85,780			
Equitable internship opportunities					961	961
Build a managed services program that will help guide donors in decision-making through funds, such as Causeway		50,000	50,000		100,000	100,000
Modernize data systems and streamline data processing					13,745	13,745
Publish list of highly impactful charities and measure donor interest		23,500	23,500			
Scale adoption of the Rating System Beacons		6,250	6,250			
To inspire donors to give more to promising nonprofits, especially in the South Central and Mountain West, and to elevate smaller nonprofits to better tell their story on Charity Navigator's platform		640,554	640,554			
Passage of time:						
For periods after June 30		380,250	380,250		325,000	325,000
Total net assets	\$ 6,889,194	\$ 1,186,334	\$8,075,528	\$ 7,548,956	\$ 543,406	\$ 8,092,362

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10. Net assets (continued)

Releases from net assets with donor restrictions are as follows at June 30:

	2025	2024
Satisfaction of purpose restrictions		
Development of new nonprofit ratings system	\$	\$ 556,352
Causeway acquisition		100,000
Build new application programming interface		84,250
Establish a customer-first measurement list		40,000
Modernize data systems and streamline data processing	13,745	16,255
Equitable internship opportunities	5,336	5,155
Feedback Champion Fellowship		10,000
Analyze trends and support local nonprofits to reach more donors	258,146	30,500
Build a managed services program that will help guide donors in decision making through funds, such as Causeway	50,000	50,000
Exploration of using AI in philanthropic tools	14,220	
Publish list of highly impactful charities and measure donor interest	26,500	
Expand access to impact measurement for charities	50,000	
Scale adoption of the Rating System Beacons	18,750	
Collaboration to establish a customer-first measurement list	88,000	
Passage of time		
Appropriated during year ended June 30	50,000	
	\$ 574,697	\$ 892,512

11. Retirement plan

The Organization sponsors an IRA Savings Plan which covers eligible employees. The Plan requires a matching contribution equal to the employee's contribution up to 3% of the employee's salary. The amount contributed for the years ended June 30, 2025 and 2024 was \$90,850 and \$83,354, respectively.

12. Causeway acquisition

On July 30, 2023, the Organization entered into an agreement to purchase an online philanthropic giving platform from a DE corporation, Causeway Giving PBC. Under the terms of the agreement, the purchase price was \$50,000, which was paid as follows: \$25,000 at the closing and an additional \$25,000 earn-out payment upon achieving certain goals. In exchange, the Organization received the Causeway online philanthropic giving platform, which offers individuals the ability to establish automatic monthly donations into personal giving portfolios based on areas of interest, including Animal Welfare, Climate Change, Global Health, Poverty Alleviation and Racial Equity, and to track the impact of their donations. Purchase price and additional costs incurred to build this platform into the Organization's website donor tools are reported as technology expense on the statement of functional expenses. Causeway tool was launched in August 2024.

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13. Significant source of support

For the year ended June 30, 2025, one donor accounted for 10% of total support. Contribution receivables from this donor were \$397,500 as of June 30, 2025. For the year ended June 30, 2024, one donor accounted for 17% of total support. Contribution receivables from this donor were \$325,000 as of June 30, 2024.

14. Subsequent events

Subsequent events have been evaluated through February 12, 2026, which is the date the financial statements were available to be issued. All subsequent events requiring recognition or disclosure as of June 30, 2025 have been incorporated into these financial statements. The Organization is not aware of any additional material subsequent events.