THE 1791 FOUNDATION, INC

2025 ANNUAL REPORT

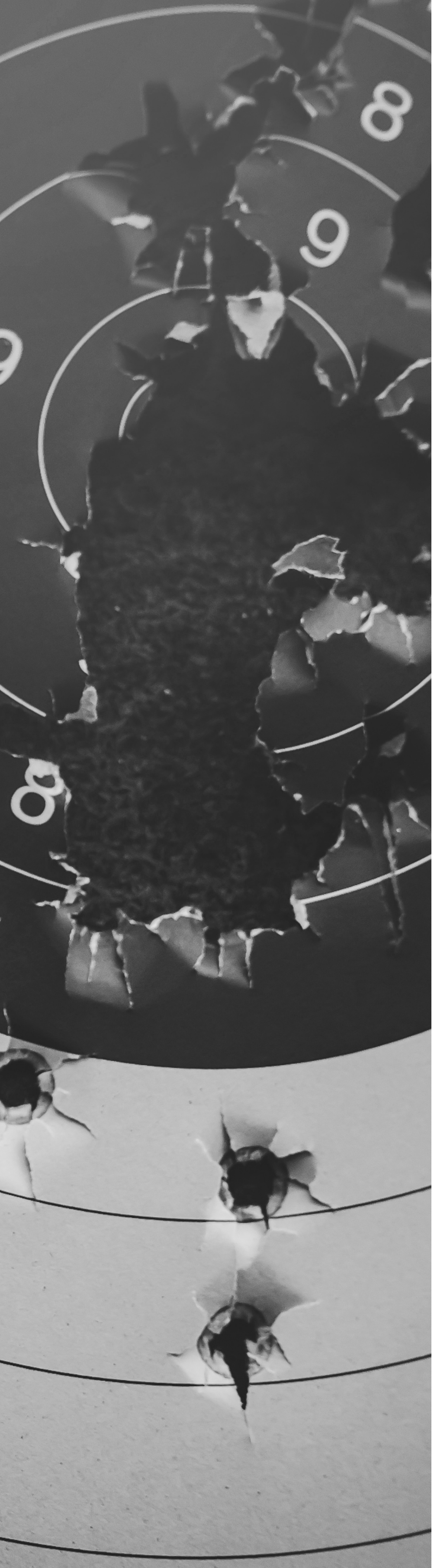
Mission Statement

The mission of the 1791 Foundation is to empower all Americans by fostering and funding responsible firearm ownership and use, promoting constitutional education, and cultivating a passion for the shooting sports to build stronger and safer communities.

5875 W. Van Horn Tavern Road,
Suite Q, Columbia, MO 65203

1791 Foundation

TABLE OF CONTENTS



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President

Ronnie G. Barrett
Vice President

Peter Churchbourne
Executive Director

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Treasurer

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YOUR LEGACY OF FREEDOM

WAYS TO GIVE

The 1791 Foundation, Inc. offers many flexible options for individuals, organizations, and companies to support the Foundation's work.

Please visit www.1791.org - Donate | 1791 Foundation - Tax-Deductible 501(c)(3) Charity for details on the options available (can access via QR code to the left).

Ways to give include:

Current Contributions

Mail-In Contributions	Memorial/Tribute Gifts	Workplace Giving (CFC/UW)
Monthly Contributions	In-Kind Gifts	Real Estate
Online Contributions	Donor Advised Funds	Employer Matching Gifts
Stock Contributions	IRA Charitable Rollovers	

Contributions Through a Planned Gift

- Bequests
- TOD/POD
- Beneficiary Designations
- Life Insurance

Planned Gifts that Provide Income to Donor(s)

- Charitable Remainder Trusts
- Charitable Gift Annuities (Funded by Cash, Appreciated Stocks, Firearms, Real Estate)

Wills & Bequests

Donors can bequeath a specific amount or a percentage of their estate to The 1791 Foundation, Inc. Contributions by bequest are deductible from the taxable estate as a charitable gift. As an alternative, The 1791 Foundation, Inc. can be named a contingent beneficiary in the event the first-named beneficiary(ies) should not live to receive the inheritance. If your will is already prepared, a simple codicil (a supplement or addition) can be added to the existing document.

Since local laws differ, a professional advisor should be contacted for the preparation of all wills and trusts. As a reference, The 1791 Foundation, Inc. recommends that members and friends consider the following language for use in their wills.

Suggested Language for a General or Endowment Bequest:

> I give, devise, and bequeath to The 1791 Foundation, Inc, Federal Tax ID 52-1710886, 5875 W. Van Horn Tavern Road, Suite Q, Columbia, MO 65203, the sum of $________ (or here otherwise describe the gift) for (choose: option 1: its general purposes as shall be determined by its Board of Directors; or option 2: The 1791 Foundation, Inc. General Endowment).

REPORT OF THE

TREASURER

The 1791 Foundation, Inc. experienced continued growth and success in 2025, with net proceeds from Friends of NRA events of $19.6 million. As a result of these and other fundraising efforts, the Foundation was able to fund nearly $18.0 million in grants and educational programs benefitting youth; school safety; law enforcement; range development and improvement; training, education and safety; wildlife and natural resources; and more. With steady growth since inception in 1990, the Foundation's financial position is strong, with $163 million in cash and investments and nearly $218 million in net assets at December 31, 2025.

Management of the Foundation's investment portfolio is assigned to various external managers under the supervision of the Treasurer, with oversight by a committee of the Board of Directors. The portfolio is allocated among equity and fixed income investments in a manner that maximizes investment returns at appropriate risk levels. The Foundation's endowment fund, a significant segment of the portfolio, stood at $88 million as of December 31, 2025 and generated $2.1 million in program and other support for the year.

Independent Auditors' Report

To the Board of Trustees
The 1791 Foundation, Inc.
Fairfax, Virginia

Opinion

We have audited the accompanying financial statements of **The 1791 Foundation, Inc.** (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2025 and 2024, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows 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 **The 1791 Foundation, Inc.** as of December 31, 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 **The 1791 Foundation, Inc.** 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 **The 1791 Foundation, Inc.**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 1791 Foundation, Inc.**'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 1791 Foundation, Inc.**'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.

Aprio, LLP

Rockville, Maryland
August 21, 2026

THE 1791 FOUNDATION, INC

Statements of Financial Position

AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 28,853,602	$ 29,983,052
Investments	134,639,156	115,848,998
Pledges and contributions receivable, net	1,177,067	1,547,122
Accounts receivable, net of allowance of $11,250 and $3,000	405,705	419,799
Inventory, net	5,621,386	5,784,590
Property and equipment, net	21,041,370	21,722,347
Other assets, principally museum collections, net	36,751,726	36,512,963
Split interest agreements	129,557	335,032
Total assets	**$ 228,619,569**	**$ 212,153,903**
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 1,750,320	$ 2,215,320
Reimbursements and grants payable to NRA	3,259,597	1,662,556
Assets held for NRA affiliates	4,261,601	3,860,276
Grants payable	413,191	675,461
Annuities payable	1,139,270	1,390,643
Total liabilities	**10,823,979**	**9,804,256**
Without donor restrictions	40,282,477	33,930,369
With donor restrictions	177,513,113	168,419,278
Total net assets	**217,795,590**	**202,349,647**
Total liabilities and net assets	**$ 228,619,569**	**$ 212,153,903**

THE 1791 FOUNDATION, INC

Statement of Activities and Changes in Net Assets

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Revenue and other support:			
Friends of NRA proceeds of $42,278,741 and $49,682,927 net of direct benefit expenses of $22,651,909 and $26,313,940 in 2025 and 2024, respectively	$ 9,453,403	$ 10,173,429	$ 19,626,832
Contributions of cash and other financial assets, net	4,721,231	977,075	5,698,306
Contributions of nonfinancial assets, net	-	278,750	278,750
Net investment income	1,562,979	4,610,995	6,173,974
Change in value of split interest agreements	-	38,322	38,322
Other income	980,895	-	980,895
Assets released from restrictions	19,742,639	(19,742,639)	-
Total revenue and other support	**36,461,147**	**(3,664,068)**	**32,797,079**
Expenses:			
Program	21,271,322	-	21,271,322
Administrative	3,198,304	-	3,198,304
Fundraising	6,081,874	-	6,081,874
Total expenses	**30,551,500**	**-**	**30,551,500**
Change in net assets before other changes	5,909,647	(3,664,068)	2,245,579
Unrealized gain on investments, net	442,461	12,757,903	13,200,364
Change in net assets	6,352,108	9,093,835	15,445,943
Net assets, beginning of year	33,930,369	168,419,278	202,349,647
Net assets, end of year	**$ 40,282,477**	**$ 177,513,113**	**$ 217,795,590**

THE 1791 FOUNDATION, INC

Statement of Activities and Changes in Net Assets

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Revenue and other support:			
Friends of NRA proceeds of $42,278,741 and $49,682,927 net of direct benefit expenses of $22,651,909 and $26,313,940 in 2025 and 2024, respectively	$ 11,354,926	$ 12,014,061	$ 23,368,987
Contributions of cash and other financial assets, net	6,181,231	1,583,192	7,764,423
Contributions of nonfinancial assets, net	8,504	4,364,400	4,372,904
Net investment income	1,256,583	3,508,570	4,765,153
Change in value of split interest agreements	-	2,632	2,632
Other income	899,923	-	899,923
Assets released from restrictions	15,665,767	(15,665,767)	-
Total revenue and other support	**35,366,934**	**5,807,088**	**41,174,022**
Expenses:			
Program	20,384,612	-	20,384,612
Administrative	4,282,850	-	4,282,850
Fundraising	6,321,065	-	6,321,065
Total expenses	**30,988,527**	-	**30,988,527**
Change in net assets before other changes	4,378,407	5,807,088	10,185,495
Unrealized gain on investments, net	499,142	8,344,841	8,843,983
Change in net assets	4,877,549	14,151,929	19,029,478
Net assets, beginning of year	29,052,820	154,267,349	183,320,169
Net assets, end of year	**$ 33,930,369**	**$ 168,419,278**	**$ 202,349,647**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

THE 1791 FOUNDATION, INC

Statement of Functional Expenses

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025							
		Program		Administrative		Fundraising		Total
Grants and education	$	17,953,116	$	-	$	-	$	17,953,116
Costs of goods sold		-		-		18,236,879		18,236,879
Management fees		2,078,794		1,042,308		5,170,321		8,291,423
Salaries, benefits and taxes		-		177,817		-		177,817
Occupancy		34,200		97,200		1,293,998		1,425,398
Other operating		313,900		67,892		1,120,110		1,501,902
Meetings and travel		316,772		27,294		814,297		1,158,363
Postage and shipping		500,375		3,246		787,644		1,291,265
Advertising and promotion		-		-		309,067		309,067
Legal, audit, taxes and fees		-		1,215,108		500,797		1,715,905
Depreciation and amortization		7,383		548,211		172,268		727,862
Printing and publications		-		4,965		196,606		201,571
Office supplies and services		66,782		14,263		131,796		212,841
Total expenses		**21,271,322**		**3,198,304**		**28,733,783**		**53,203,409**
Less: Friends of NRA direct benefit expenses		-		-		(22,651,909)		(22,651,909)
	$	**21,271,322**	**$**	**3,198,304**	**$**	**6,081,874**	**$**	**30,551,500**

THE 1791 FOUNDATION, INC

Statement of Functional Expenses

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024							
		Program		Administrative		Fundraising		Total
Grants and education	$	17,091,038	$	-	$	-	$	17,091,038
Costs of goods sold		-		-		21,958,318		21,958,318
Management fees		2,115,356		1,075,231		5,310,716		8,501,303
Salaries, benefits and taxes		-		-		-		-
Occupancy		34,200		97,200		1,378,929		1,510,329
Other operating		275,713		33,278		970,967		1,279,958
Meetings and travel		336,588		19,609		733,418		1,089,615
Postage and shipping		463,295		3,340		711,078		1,177,713
Advertising and promotion		-		-		450,516		450,516
Legal, audit, taxes and fees		-		2,489,742		573,556		3,063,298
Depreciation and amortization		7,115		547,620		171,812		726,547
Printing and publications		-		4,435		259,511		263,946
Office supplies and services		61,307		12,395		116,184		189,886
Total expenses		**20,384,612**		**4,282,850**		**32,635,005**		**57,302,467**
Less: Friends of NRA direct benefit expenses		-		-		(26,313,940)		(26,313,940)
	$	**20,384,612**	**$**	**4,282,850**	**$**	**6,321,065**	**$**	**30,988,527**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

THE 1791 FOUNDATION, INC

Statements of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities: Change in net assets	$ 15,445,943	$ 19,029,478
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Amortization and depreciation	727,862	726,547
Provision for losses on pledges, contributions and accounts receivable	46,250	190,000
Provision for (gains) losses on inventory	(10,569)	11,952
Provision for losses on other assets	69,000	16,100
Donated assets, equipment	-	(8,504)
Donated assets, museum collections	(347,750)	(4,380,500)
Donated assets, securities with and without donor restrictions	(1,928,241)	(413,631)
Donated assets, securities restricted for investment in endowment	(20,451)	-
Contributions restricted for investment in endowment	(1,121,330)	(1,056,419)
Net realized and unrealized gain on investments	(15,948,903)	(10,552,592)
Increase (decrease) in discount on pledges receivable	7,735	(2,245)
(Increase) decrease in value of split interest agreements	(16,504)	4,893
Changes in assets and liabilities:		
Decrease in pledges and contributions receivable	324,320	73,816
Decrease (increase) in accounts receivable	5,844	(29,923)
Decrease (increase) in inventory	173,773	(44,685)
Decrease in other assets	39,987	4,167
(Decrease) in accounts payable and accrued liabilities	(465,000)	(315,198)
Increase (decrease) in due to affiliates	1,998,366	(955,815)
(Decrease) increase in grants payable	(262,270)	336,453
Total adjustments	**(16,727,881)**	**(16,395,584)**
Net cash (used in) provided by operating activities	**(1,281,938)**	**2,633,894**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

THE 1791 FOUNDATION, INC

Statements of Cash Flows (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from investing activities:		
Purchases of investments	(4,272,527)	(7,196,481)
Proceeds from sale of investments	3,379,964	4,794,444
Purchases of property and equipment	(46,885)	-
Net cash used in investing activities	**(939,448)**	**(2,402,037)**
Cash flows from financing activities:		
Proceeds from split interest agreements	221,979	-
Proceeds from contributions restricted for:		
Investment in endowment	1,121,330	1,056,419
Investments subject to new annuity agreements	(21,817)	71,704
Payments on annuity obligations	(229,556)	(232,213)
Net cash provided by financing activities	**1,091,936**	**895,910**
Net (decrease) increase in cash and cash equivalents	(1,129,450)	1,127,767
Cash and cash equivalents, at beginning of year	29,983,052	28,855,285
Cash and cash equivalents, at end of year	**$ 28,853,602**	**$ 29,983,052**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

The 1791 Foundation, Inc. (the Foundation), formerly known as (f/k/a) The NRA Foundation, Inc. is a non-profit corporation established in 1990 under the laws of the District of Columbia. The Foundation is organized to be operated exclusively in support of charitable, scientific and educational purposes. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity. The Foundation is supported primarily by volunteer-driven fundraising events and other charitable contributions. Also see note 12 below.

The vision of The 1791 Foundation, Inc. is to provide grants for activities and programs that teach the safe and responsible use of firearms in a free society and promote the understanding of one simple truth – that personal freedom is preserved by the right of individuals to keep and bear arms.

BASIS OF PRESENTATION

The financial statements of the Foundation have been prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

CLASSIFICATION OF NET ASSETS

To identify the observance of limitations and restrictions placed on the use of the resources available to the Foundation, the accounts of the Foundation are maintained in two separate classes of net assets: without donor restrictions, and with donor restrictions, based on the existence or absence of donor-imposed restrictions.

> Net assets without donor restrictions represent resources that are not restricted by donor-imposed stipulations. They are available for support of the Foundation's general operations.
>
> Net assets with donor restrictions represent contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations. Some of these restrictions are temporary in that they either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid investments purchased with a maturity of three months or less at the date of purchase to be cash equivalents.

CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances at two commercial banks in interest bearing accounts and insured cash sweep accounts from which cash is swept to deposit account(s) at one or more third-party commercial banks. The Foundation's policy is to deposit funds only in financially sound institutions. Nevertheless, these deposits are subject to some degree of credit risk. These balances can exceed the FDIC insured deposit limit of $250,000 per financial institution. At December 31, 2025 and 2024, the Foundation's cash balances held at the commercial banks exceeded the FDIC limit by approximately $274,223 and $73,900, respectively. The Foundation has not experienced any losses through the date when the financial statements were available to be issued.

Investments are maintained in financial institutions. Accounts receivable primarily represent funds due to the Foundation for contributions and from Friends of NRA events and committees.

Five donors and seven donors combined represented 44% and 52.4% of contributions of cash and other financial assets for the years ended December 31, 2025 and 2024, respectively.

The Foundation invests in a professionally managed portfolio that primarily contains money market funds, equity securities, and fixed income securities. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in value of such investments, it is at least reasonably possible that changes in risk in the near term would materially affect investment balances and the amounts reported in the financial statements.

INVESTMENTS

Investments consist primarily of money market funds, equity securities, and fixed income securities which are carried at fair value, as determined by an independent market valuation service using the closing prices at the end of the period. In calculating realized gains and losses, the cost of securities sold is determined by the specific-identification method. To adjust the carrying value of the investments to their fair value, the change in fair value is included in revenue and other support in the statements of activities and changes in net assets.

PLEDGES AND CONTRIBUTIONS RECEIVABLE

Unconditional pledges and contributions receivable consist of irrevocable and measurable bequest proceeds due to the Foundation and donor promises to give in future periods, usually over a period of one to ten years. Pledges due in more than one year are recorded at the present value of estimated cash flows, discounted by rates ranging from 1.48% to 3.71% for the year ended December 31, 2025 and 1.48% for the year ended December 31, 2024. An allowance for uncollectible pledges and contributions receivable is provided based upon management's judgment of potential defaults.

ACCOUNTS RECEIVABLE

Accounts receivable consist of start-up funds and current year event proceeds due from Friends of NRA committees. Start-up funds are advanced to each new Friends of NRA committee and are returned to the Foundation only upon dissolution of the committee.

INVENTORY

Inventory consists primarily of artwork and shooting sports and hunting supplies to be utilized at Friends of NRA fundraising events. Inventory is stated at the lower of cost or net realizable value, with cost determined using the first-in, first-out method. Adjustments are made to reduce the inventory to net realizable value in the case of obsolescence.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation. Expenditures for maintenance and repairs, which do not prolong the useful lives of the assets, are expensed. Depreciation is computed on the straight-line method over the assets' estimated useful lives. Buildings are depreciated over useful lives of 30 years, building improvements are depreciated over 20 years and other property and equipment is depreciated over 2 to 10 years. The Foundation capitalizes fixed assets greater than $2,000.

MUSEUM COLLECTIONS

The Foundation has capitalized its museum collections, consisting principally of donated firearms, since its inception. If purchased, items accessioned into the collection are capitalized at cost, and if donated they are capitalized at their appraised value or fair value on the accession date. Gains or losses on the deaccession of collection items are classified in the statements of activities as with donor restrictions or without donor restrictions depending on the donor restriction, if any, placed on the item at the time of accession. Provisions are made to reduce museum collections to net realizable value. Museum collections are not depreciated, as the Foundation takes appropriate measures to perpetually preserve their cultural and historic value.

Museum collections donated prior to 2001 were gifted without restriction, therefore proceeds from the sale of those collection items are considered unrestricted.

Beginning in 2001, donations of museum collections were received with restrictions limiting action related to the gifted item to inclusion in museum collections or sale of the item with proceeds added to the Foundation's National Firearms Museum Endowment (the Endowment). As such, donations of museum collections for 2001 and later are considered permanently restricted. Earnings on the Endowment are used to purchase additional collection items and for the direct care of existing collections. The Foundation defines direct care of collections as any activity that involves the protection and preservation of the collection.

SPLIT INTEREST AGREEMENTS

The Foundation is the beneficiary under several split interest agreements in the form of charitable lead trust and charitable remainder unitrust agreements. Under terms of the agreements, the Foundation has the irrevocable right to receive the annual payments during the life of the lead trust and/or remaining trust assets upon termination of the remainder trusts. Split interest agreements are recorded as an asset based on the actuarially computed fair value and adjusted as of the end of each year. The difference between the amount received for the agreement and its actuarially computed value at each year end is recorded as changes in present value of split interest agreement. Split interest agreements due in more than one year have been recorded at the present value of estimated cash flows. The discount rate applied was 3.73% for the year ended December 31, 2025 and ranged from 4.48% to 4.86% for the year ended December 31, 2024, and incorporated future life expectancies of 4 years for the year ended December 31, 2025 and ranging from 5 to 13 years for the year ended December 31, 2024.

ANNUITIES PAYABLE

Donors have established and funded gift annuity contracts. Under terms of the contracts, the Foundation has the irrevocable right to receive the remaining contract assets upon termination of the contract. Amounts payable under annuity contracts are recorded as a liability based on the actuarially computed value at the time of gift. The difference between the amount received for the contract and its actuarially computed liability is recorded as revenue. The discount rate applied ranged from 0.6% to 5.8% for both the years ended December 31, 2025 and December 31, 2024.

FRIENDS OF NRA REVENUE

For 2025 and 2024, proceeds from volunteer-driven Friends of NRA committee fundraising events, net of direct attendee benefit expenses, are recorded in the period in which the event occurs. Other costs of operating the Friends of NRA program are included in expenses, as appropriate. 50% of all net proceeds from the comprehensive Friends of NRA program and other related special fundraising activity were restricted for the purpose of the fundraising committees' associated State Fund Committees to make grant recommendations to the Foundation's Board of Directors. Proceeds designated to State Funds are classified as with donor restrictions until the restriction is released through subsequent grant approval by the Foundation's Board of Directors, at which point net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Prior to December 31, 2025, the Foundation decided to discontinue the Foundation's Friends of NRA Program. For 2026, the Foundation will experience minimal revenues and related expenses associated with this discontinuance.

The portion of revenue proceeds associated with providing direct attendee benefits is accounted for as an exchange transaction under Accounting Standards Codification (ASC) 606 – Revenue from Contracts with Customers. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The nature of direct attendee benefits (whether goods or services) varies widely, is subject to change at the discretion of the Foundation, and is generally not identifiable to event attendees before the event. As a result, the Foundation has determined revenue associated with direct attendee benefits does not meet the contract criterion in ASC 606. Accordingly, revenue is recognized under such arrangements when payment is received and the Foundation is no longer obligated to provide any additional goods or services to attendees (generally, after the associated event takes place).

Payments received in advance of events are recorded as liabilities until recognized.

CONTRIBUTIONS

Unconditional contributions, whether without donor restrictions or with donor restrictions, are recognized as revenue upon notification of the unconditional gift or pledge and classified in the appropriate net asset category. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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 statements of activities as net assets released from restrictions.

For 2024 and 2025, pursuant to Financial Accounting Standard Board Accounting Standards Codification 958-605-25-27 contributions received by the Foundation with the NRA as the specified beneficiary are recorded as support by the Foundation.

Pledges receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

OUTSTANDING LEGACIES

The Foundation is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The Foundation's share of such amounts is not recorded until the Foundation has an irrevocable right to the bequest and the proceeds are measurable.

VALUATION OF LONG-LIVED ASSETS

Long-lived assets and certain identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less cost to sell.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program services and supporting activities have been accounted for on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program, administrative, and fundraising expenses. Such allocations are determined by management on an equitable basis. Allocated expenses and the related allocation method used are as follows: management fees, meetings and travel, allocated based on time and effort; occupancy and certain other operating expenses, allocated based on square footage; depreciation and amortization, based on square footage and/or area of use; and certain printing and publications, based on area per page. Expenses not allocated are charged directly to their related functional expense categories.

GRANT PROGRAM EXPENSE

Grants are recorded as program expense in the year for which the Foundation's Board of Directors approves the expenditure. Grants to NRA are recognized when qualifying expenses have been incurred. The Foundation supports a wide range of firearms and safety-related public interest activities, including youth education, range development and improvements, wildlife and natural resource conservation, school security and firearm training, education and safety programs.

The following amounts were payable at December 31:

	2025	2024
Within one year	$ 323,696	$ 542,762
One to five years	100,000	150,000
	423,696	692,762
Less: discount on grants payable	(10,505)	(17,301)
Total	**$ 413,191**	**$ 675,461**

TAX STATUS

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and from state income taxes. In addition, the Foundation is not classified as a private foundation.

The Foundation follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. Tax years from 2022 through the current year remain open for examination by tax authorities, which is the standard statute of limitations look-back period. Currently, there are no examinations in process.

Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

SUBSEQUENT EVENTS

The Foundation evaluated subsequent events through August 21, 2026, which is the date the financial statements were available to be issued.

2. Availability and Liquidity

The Foundation maintains a policy of structuring its financial assets to be available as its general operating expenses come due. This includes the appropriation of income from donor restricted endowments and contributions, in satisfaction of those restrictions.

The table below represents the Foundation's financial assets and liquidity resources available to meet general expenditures within one year as of December 31, 2025 and 2024:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 28,853,602	$ 29,983,052
Investments, excluding amounts held for affiliates		
Pledges and contributions receivable available in one year, net, other than endowment pledges	892,967	736,105
Accounts receivable available in one year, net	73,455	75,799
Total financial assets	160,206,059	142,842,158
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(94,474,951)	(85,519,136)
Financial assets available to meet general expenditures within one year	**$ 65,731,108**	**$ 57,323,022**

3. Investments

Investments, at fair value, as of December 31, 2025 and 2024 consisted of the following:

	2025	2024
Money market	$ 2,456,853	$ 3,258,035
Equity securities	97,839,071	82,246,673
Fixed income securities	34,343,232	30,344,290
Total	**$ 134,639,156**	**$ 115,848,998**

Investment income for the years ended December 31, 2025 and 2024 included the following:

	2025	2024
Realized gain, net	$ 2,748,539	$ 1,708,609
Dividends and interest	3,425,435	3,056,544
Unrealized gain, net	13,200,364	8,843,983
Total	**$ 19,374,338**	**$ 13,609,136**

4. Pledges and Contributions Receivable

At December 31, 2025 and 2024, donors to the Foundation have unconditionally promised to give amounts as follows:

	2025	2024
Within one year	$ 2,132,083	$ 2,546,245
One to five years	149,067	49,225
More than five years	128,000	138,000
	2,409,150	2,733,470
Less: discount on pledges receivable	(26,083)	(18,348)
	2,383,067	2,715,122
Less: allowance for uncollectible pledges	(1,206,000)	(1,168,000)
Total	**$ 1,177,067**	**$ 1,547,122**

Estate proceeds bequeathed and due to the Foundation in the amount of $792,833 and $1,205,998 were included in contributions receivable at December 31, 2025 and 2024, respectively.

Three donors combined represented 55.2% and 71.7% of pledges and contributions receivable as of December 31, 2025, and 2024, respectively.

5. Property and Equipment

Property and equipment as of December 31, 2025 and 2024 consist of:

	2025	2024
Buildings and improvements	$ 20,796,506	$ 20,796,506
Land	2,740,000	2,740,000
Furniture, fixtures and equipment	631,622	1,067,165
	24,168,128	24,603,671
Less: accumulated depreciation	(3,126,758)	(2,881,324)
	$ 21,041,370	**$ 21,722,347**

Depreciation expense for the years ended December 31, 2025 and 2024 was $727,862 and $726,547, respectively.

6. Fair Value Measurements

The Foundation follows the FASB Codification Topic, *Fair Value Measurement*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

> Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The type of investments included in Level 1 include listed equities and listed derivatives.
>
> Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies.
>
> Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. In determining the appropriate levels, the Foundation performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The estimated fair values of the Foundation's short-term financial instruments, including cash and equivalents, and payables arising in the ordinary course of operations, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization.

The tables below and on the following page present the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	As of December 31, 2025			
Assets Equity Securities:	**Total**	**Level 1**	**Level 2**	**Level 3**
Basic materials	$ 774,869	$ 774,869	$ —	$ —
Clinical consumer goods services	3,080,282	3,080,282	—	—
Energy	790,095	790,095	—	—
Financial	4,841,974	4,841,974	—	—
Healthcare	3,480,815	3,480,815	—	—
Industrials	7,961,357	7,961,357	—	—
Non-clinical consumer goods services	2,244,168	2,244,168	—	—
Technology	14,579,087	14,579,087	—	—
Utilities	2,692,230	2,692,230	—	—
Other equities	259,782	259,782	—	—
Multi-strategy stock funds	11,145,202	11,145,202	—	—
Multi-strategy mutual funds	45,989,210	45,989,210	—	—
Total equity securities	**97,839,071**	**97,839,071**	**—**	**—**
Fixed income securities:				
Mutual Funds	30,311,827	30,311,827	—	—
Multi-strategy bond funds	4,031,405	4,031,405	—	—
Total fixed income securities	**34,343,232**	**34,343,232**	**—**	**—**
Money market	**2,456,853**	**2,456,853**	**—**	**—**
Total investments	**134,639,156**	**134,639,156**	**—**	**—**
Split interest agreements	**129,557**	**—**	**—**	**129,557**
Total assets	**$ 134,768,713**	**$ 134,639,156**	**$ —**	**$ 129,557**

Assets	As of December 31, 2024 Total	Level 1	Level 2	Level 3
Equity Securities:				
Basic materials	$ 977,099	$ 977,099	$ —	$ —
Clinical consumer goods services	3,224,166	3,224,166	—	—
Energy	1,002,883	1,002,883	—	—
Financial	3,584,451	3,584,451	—	—
Healthcare	3,834,246	3,834,246	—	—
Industrials	5,090,430	5,090,430	—	—
Non-clinical consumer goods services	1,677,828	1,677,828	—	—
Technology	12,340,037	12,340,037	—	—
Utilities	1,738,024	1,738,024	—	—
Other equities	277,935	277,935	—	—
Multi-strategy stock funds	10,187,826	10,187,826	—	—
Multi-strategy mutual funds	38,311,748	38,311,748	—	—
Total equity securities	**82,246,673**	**82,246,673**	**—**	**—**
Fixed income securities:				
Mutual Funds	27,535,810	27,535,810	—	—
Multi-strategy bond funds	2,808,480	2,808,480	—	—
Total fixed income securities	**30,344,290**	**30,344,290**	**—**	**—**
Money market	**3,258,035**	**3,258,035**	**—**	**—**
Total investments	**115,848,998**	**115,848,998**	**—**	**—**
Split interest agreements	**335,032**	**—**	**—**	**335,032**
Total assets	**$ 116,184,030**	**$ 115,848,998**	**$ —**	**$ 335,032**

Money market funds, equity and fixed income securities are classified as Level 1 instruments, as they are actively traded on public exchanges.

Split interest agreements are classified as Level 3 instruments, as there is no market for the Foundation's interest in the trusts. Further, the Foundation's asset is the right to receive cash flows from the trusts, not the assets of the trusts themselves. Although the trust assets may be investments for which quoted prices in an active market are available, the Foundation does not control those investments.

Changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows.

	2025	2024
Purchases	$ —	$ —
Issues	—	—
Transfers Out	(243,797)	(7,525)
Settlements	—	—
Change in value of split interest agreements	38,322	2,632

7. Net Assets with Donor Restrictions and Endowment Funds

Net assets with donor restrictions are restricted as follows:

	2025	2024
Perpetual in nature	$ 82,356,687	$ 81,078,859
Purpose restricted program awards	51,253,882	54,770,878
Time restricted program awards	40,932,874	29,758,788
Other, passage of time	2,969,670	2,810,753
Total	**$ 177,513,113**	**$ 168,419,278**

The Foundation follows the FASB Codification subtopic *Reporting Endowment Funds*. The Codification addresses accounting issues related to guidelines in the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the National Conferences of Commissioners on Uniform State Laws in July 2006 and enacted in the Commonwealth of Virginia on July 1, 2008 and in the

District of Columbia on January 23, 2008. The Foundation includes all permanent donor restricted funds in its endowments. The Management of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of original donor restricted endowment gifts as of the date of the gift or Board designation, absent explicit donor stipulations or Board action to the contrary. As a result of this interpretation, the Foundation classifies as net assets with permanent donor restrictions (a) the original value of cash gifts donated to permanent donor restricted endowment, (b) the discounted value of future gifts promised to permanent donor restricted endowment, net of allowance for uncollectible pledges, and (c) the fair value of non-cash gifts received whereby the proceeds of any future sale are donor restricted to permanent endowment. Board designated endowment funds are classified in net assets without donor restrictions until utilized by the Foundation for the Board designated purpose. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and donor restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. The investment policy of the Foundation is to achieve, at a minimum, a real (inflation adjusted) total net return that exceeds spending policy requirements. Investments are diversified both by asset class and within asset classes. The purpose of diversification is to minimize unsystematic risk and to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total portfolio. The amount appropriated for expenditure ranges from 1% to 5% of the endowment fund's fair value as of the end of the preceding year, as long as the value of the endowment does not drop below the original contribution(s). From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration, as a result of unfavorable market fluctuations. In such instances, no further appropriations for expenditures are made from the donor restricted endowment until the fair value exceeds the level the donor or UPMIFA requires. All earnings of the donor restricted endowment are reflected as net assets with donor restrictions until appropriated for expenditure in the form of program grants.

The Foundation's endowments are composed primarily of funds with donor restrictions. The changes in endowment net assets for the years ended December 31, 2025 and 2024 are as follows:

	Year Ended December 31, 2025		
	Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, beginning of year	$ —	$ 110,932,203	$ 110,932,203
Interest and dividends, net	—	1,610,663	1,610,663
Net appreciation	—	11,878,608	11,878,608
Designations and contributions	—	1,121,330	1,121,330
Amount appropriated for expenditure	—	(2,120,365)	(2,120,365)
Endowment net assets, end of year	**$ —**	**$ 123,422,439**	**$ 123,422,439**
	Year Ended December 31, 2024		
	Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, beginning of year	$ —	$ 98,703,383	$ 98,703,383
Interest and dividends, net	—	1,340,441	1,340,441
Net appreciation	—	7,912,155	7,912,155
Designations and contributions	—	5,156,620	5,156,620
Amount appropriated for expenditure	—	(2,180,396)	(2,180,396)
Endowment net assets, end of year	**$ —**	**$ 110,932,203**	**$ 110,932,203**

The related assets are included in investments, museum collections and pledges and contributions receivable.

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA as of December 31, 2025 and 2024 is $82,356,687 and $81,078,859, respectively. Perpetually restricted endowments and related time restricted investment gains were included in net assets with donor restrictions as follows:

	2025		2024	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$	83,966,543	$	82,688,714
Time restricted accumulated investment gains		39,455,896		28,243,489
Total donor-restricted endowment funds	**$**	**123,422,439**	**$**	**110,932,203**

The Foundation holds endowment net assets of $41,849,055 at December 31, 2025 that are donor-restricted, under the terms of the original gift instruments, to support programs of the NRA, and are classified as net assets with donor restrictions in the accompanying statements of financial position. The activity of the NRA's programs has evolved over time, and the Foundation has raised questions regarding the application of the donors' restrictions to the NRA's current programs. This matter may be addressed in connection with the dispute described in Note 8, which could affect the classification or permitted use of these net assets in future periods.

8. Commitments and Contingencies

LITIGATION AND CLAIMS

District of Columbia v. NRA Foundation, Inc. et al., No. 2020 CA 003454 B (D.C. Super. Ct.)

On August 6, 2020, the DCAG filed this action against the NRA and the Foundation in D.C. Superior Court. It alleged that the NRA improperly diverted funds from the Foundation, that the Foundation failed to maintain control of its funds, and that the Foundation failed to act independently from the NRA. The allegations focused on (i) two $5 million loans from the NRA Foundation to the NRA; (ii) payments from the Foundation to the NRA pursuant to a services agreement; and (iii) the process by which the NRA Foundation awards grant funds to the NRA. The DCAG's First Amended Complaint asserted three claims against the Foundation. Counts I and II alleged violations of the D.C. Nonprofit Corporations Act ("NCA"), specifically: (i) exceeding or abusing the authority conferred by law in violation of § 29-412.20(a)(1)(B) of the NCA; and (ii) continuing to act contrary to nonprofit purposes in violation of § 29 412.20(a)(1)(C) of the NCA. Count III was a common law claim for alleged violation of the Foundation's nonprofit purposes.

On April 17, 2024, the District of Columbia Attorney General (the "DCAG") entered into a settlement of this matter with the NRA and the NRA Foundation ("NRA Foundation"). Under the terms of the settlement, neither the NRA nor the Foundation admitted any wrongdoing or legal violations—indeed, both expressly denied any liability.

The settlement terms are as follows: (i) the Foundation will conduct annual non-profit training for its Board and officers, (ii) the Foundation will adopt a new conflict of interest policy for all Board Members, Officers, and members of Board committees; a policy regarding grantmaking to the NRA; and a policy regarding approval of loans to the NRA over $250,000; (iii) the Foundation will enter into a new Shared Services Agreement with the NRA that includes a written method for allocating costs; (iv) the Foundation and the NRA retain the right to amend their Bylaws and other organizational documents, (v) the Foundation will provide copies of the policies it adopts to the DCAG; (vi) the settlement terms will be entered as a Consent Order in D.C. Superior Court, (vii) the Consent Order will remain in effect until December 31, 2026, provided that, by no later than August 15, 2024, the Foundation has confirmed in writing to the DCAG that it has created an Audit Committee; approved a conflict of interest policy, grantmaking policy, and loan policy; and entered into the new Shared Services Agreement; and (viii) otherwise, the Consent Order term will end on April 30, 2027.

On April 22, 2024, the settlement terms described above were entered as a Consent Order by the D.C. Superior Court, and the case was closed. There were no fines or penalties against the NRA or the Foundation.

National Rifle Association of America v. The NRA Foundation, Inc., Civil Action No. 1:26-cv-00015 (D.D.C)

The Foundation has historically been affiliated with the NRA. During the year ended December 31, 2025, the composition of the Foundation's governing board changed. As of December 31, 2025, only two of Foundation's fifteen board members (13.3%) also served on the NRA's Board of Directors, compared with ten of thirteen (76.9%) as of December 31, 2024. During 2025, the Foundation employed its own management personnel, including an Executive Director, a Treasurer/Chief Financial Officer, and a General Counsel, who are not officers or employees of the NRA and who, subject to the oversight of the Foundation's Board of Directors, are responsible for the Foundation's management, financial, and legal policies. Despite the governance changes in 2025, the NRA—against the requests of the Foundation's new Executive Director, Treasurer/Chief Financial Officer, and General Counsel—consolidated the Foundation's 2025 financial results in the NRA's 2025 financial statement. See Note 8 regarding related litigation.

On January 5, 2026, the NRA filed this action against the Foundation in the United States District Court for the District of Columbia. The NRA's eleven-count complaint asserts claims for: (i) federal trademark infringement, false designation of origin and unfair competition, federal trademark dilution, and common law trademark infringement and unfair competition; (ii) third-party beneficiary breach of contract, third-party beneficiary and settlor breach of trust, breach of implied contract, promissory estoppel, and unjust enrichment; and (iii) ultra vires violations of the Foundation's organizing documents. The allegations focus on the Foundation's purported unauthorized use of the NRA's trademarks and the alleged improper use of more than $160 million, which the NRA alleges was raised by or with the NRA through solicitations representing to donors that contributions would be used to support the NRA's charitable activities. The Foundation denies these claims.

On February 13, 2026, the Foundation filed a Motion to Dismiss Plaintiff's Complaint pursuant to Rules 12(b)(1) and 12(b)(6) of the Federal Rules of Civil Procedure, arguing that all of the claims are subject to dismissal either because the Court lacks subject matter jurisdiction over the claims or because the NRA has failed to state a claim upon which relief can be granted—or both. Specifically, the Foundation contends that the NRA lacks standing to bring claims for breach of trust (because the Foundation is a nonprofit corporation, not a trust, and only the Attorney General may enforce charitable trusts), violations of the D.C. Nonprofit Corporations Act (because only the Attorney General and specifically enumerated parties have standing), and contract-related claims (because the NRA alleges the Foundation will continue providing restricted grants according to their terms, foreclosing any injury). The Foundation further asserts that the trademark infringement claims are wholly conclusory and that the NRA acquiesced in the Foundation's use of "The NRA Foundation, Inc." in its perpetual corporate charter. The Foundation also notes that this lawsuit follows the parties' entry into a Consent Judgment with the District of Columbia Attorney General on April 22, 2024, which required the Foundation to take steps to shore up its independence from the NRA. The NRA filed an Amended Complaint on March 6, 2026 to add two individual plaintiffs and a claim alleging cybersquatting.

On March 20, 2026, the Foundation filed amotion to dismiss the Amended Complaint as to all counts.

On June 24, 2026, the Court issued a Memorandum Opinion granting the Foundation's motion in part and denying it in part. The Court declined to exercise supplemental jurisdiction over the NRA's claims arising under District of Columbia law—third-party beneficiary breach of contract, third-party beneficiary and settlor breach of trust, breach of implied contract, promissory estoppel, unjust enrichment, unauthorized diversion of charitable assets, and ultra vires violations of the Foundation's organizing documents—and dismissed those claims without prejudice to refiling in an appropriate court. The Court denied the Foundation's motion to dismiss the remaining federal and common law trademark-related claims, which remain pending before the Court. The Foundation denies the remaining claims and intends to continue to vigorously defend against them.

National Rifle Association of America v. The NRA Foundation, Inc., Civil Action No. 1:26-cv-00015 (D.D.C)

Following the dismissal of the District of Columbia law claims described above, on June 24, 2026, the NRA refiled those claims against the Foundation in the Superior Court of the District of Columbia. Those claims are based on substantially the same allegations as those asserted in the District Court action. The Foundation denies these claims and intends to vigorously defend against them.

The 1791 Foundation, Inc., f/k/a The NRA Foundation, Inc. v. National Rifle Association of America, Inc., Civil Action No. 1:26-cv-01823 (E.D. Va.)

On June 25, 2026, the Foundation filed an action against the NRA in the United States District Court for the Eastern District of Virginia. The Foundation's complaint asserts claims for tortious interference with contracts, tortious interference with business relations, conversion, and fraudulent misrepresentation, and seeks declaratory and injunctive relief and damages. Among other things, the Foundation seeks a declaration that the 2024 and 2025 amendments to its Articles of Incorporation and Bylaws are valid and that the NRA does not control the Foundation for financial statement consolidation purposes, the return of artwork, firearms, and other property donated to the Foundation, and an order enjoining the NRA from making misleading statements to auditors, regulators, donors, and the public regarding the Foundation and the source of funding for charitable programs.

No contingency has been accrued with respect to these related litigation matters because the outcome of each is uncertain, any potential damages are too indefinite to reasonably estimate, and the Foundation believes the claims against it are without merit and intends to vigorously defend against them..

9. Transactions with the NRA and NRA Affiliates

The Foundation supports a wide range of firearm-related public interest activities of the NRA and other qualified organizations. The Foundation has received certain benefits from its support for NRA, among which are various administrative and support services. Foundation Management has determined that the fair value of these benefits is minimal, and accordingly, no amounts are reflected in these financial statements.

The Foundation holds endowment and gift annuity investments on behalf of NRA Civil Rights Defense Fund, NRA Whittington Center and NRA Freedom Action Foundation.

During 2025 and 2024, the Foundation was invoiced by NRA for monies advanced by the NRA pursuant to a shared services agreement between these two organizations for salaries, benefits and general operating expenses, paid by the NRA on the Foundation's behalf. These expenses totaled $10,759,726 and $10,709,942 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, and 2024, $2,747,776 and $1,662,556, respectively, was payable to the NRA and NRA Affiliates for reimbursements and pass through funds held by the Foundation. $41,849,055 and $36,389,536 of funds that generate distributable monies for the NRA and NRA Affiliates are included in investments and net assets with donor restrictions as of December 31, 2025 and 2024.

The Foundation funded certain qualified NRA programs with grants totaling $8,001,733 and $7,219,321 for the years ended December 31, 2025 and 2024, respectively.

Endowment contributions and gift annuities benefiting NRA Civil Rights Defense Fund, NRA Freedom Action Foundation, and NRA Special Contribution Fund are pooled with Foundation investments.

At December 31, 2025 and 2024 respectively, $3,259,597 and $1,662,556 were payable to the NRA for expense reimbursements, grants and other pass-through items.

As of December 31, 2025 and 2024, the following amounts, primarily gifted annuities and endowments, are held by the Foundation and generate distributable monies for these NRA Affiliates:

	2025	2024
NRA Civil Rights Defense Fund	(3,402,370)	(3,076,344)
NRA Freedom Action Foundation	(126,614)	(117,731)
NRA Special Contribution Fund	(732,617)	(666,201)
Total	**$ (4,261,601)**	**$ (3,860,276)**

10. Contributed Non-Financial Assets

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities and changes in net assets included:

	2025	2024
Firearms and firearm accessories	$ 278,750	$ 4,364,400
Equipment	-	8,504
Total	**$ 278,750**	**$ 4,372,904**

The Foundation recognizes contributed nonfinancial assets within revenue.

During 2024 and 2025, a portion of the contributed building was used partially as the Field Operations distribution center. Also in 2025, the Foundation occupied a small office space in the contributed building. The remaining space is rented to tenants. Per donor restrictions, the Foundation is not to sell or transfer the building to any third party within 10 years from the gift date. The value of the contributed building, located in Columbia, MO, was based on an independent appraisal. This appraisal took into consideration three different approaches in determining market value: (1) value by sales comparison approach; (2) value by cost approach;

the item with proceeds added to the Foundation's National Firearms Museum Endowment. The values are determined by the Senior Curator of the museum.

The Foundation also included contributed inventory of $300,579 and $168,226 in other income for the years ended December 31, 2025 and 2024, respectively.

11. Rental Operations as Lessor

The Foundation leases a portion of its Missouri warehouse to tenants under various operating leases. These leases include renewal options and require that the tenants pay for their prorated share of the building operating expenses. Rental income is recognized on a straight-line basis over the term of the lease.

The following is a schedule of minimum future rentals on non-cancellable operating leases as of December 31, 2025:

2026	$ 580,404
2027	580,404
2028	522,670
2029	117,000
Total minimum future rentals	**$ 1,800,478**

Total rental income for the years ended December 31, 2025 and 2024 was $585,654 and $607,404, respectively.

FOR INFORMATION about making a gift to The 1791 Foundation, Inc., please visit *www.1791.org*.

To make your **tax-deductible contribution**, please make checks payable to the 1791 Foundation Inc. and mail to: The 1791 Foundation, Inc., 5875 W Van Horn Tavern Road, Suite Q, Columbia, MO 65203

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