



Supporting Legal Precedents In Favor of America's Gun Owners for Over

20
20
40 Years

Independent Auditor's Report

To Board of Trustees

NRA CIVIL RIGHTS DEFENSE FUND
FAIRFAX, VIRGINIA

Report on the Financial Statements

We have audited the accompanying financial statements of The NRA Civil Rights Defense Fund (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2020 and 2019, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

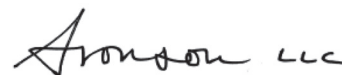
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The NRA Civil Rights Defense Fund as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Rockville, Maryland
DATE

NRA Civil Rights Defense Fund

Statements of Financial Position

AS OF DECEMBER 31, 2020 AND 2019

	2020	2019
Assets		
Cash	\$ 937,296	\$ 441,995
Investments	6,848,653	4,324,696
Pledges and contributions receivable, net	54,162	1,013,393
Due from affiliates	2,593,308	2,346,661
Other assets	120,620	113,902
Split interest agreements	949,613	823,445
Total assets	\$ 11,503,652	\$ 9,064,092
Liabilities		
Accounts payable	\$ 14,917	\$ 217,609
Annuities payable	125,448	138,570
Total liabilities	140,365	356,179
Net Assets		
Without donor-restrictions	5,015,522	3,407,156
With donor-restrictions	6,347,765	5,300,757
Total net assets	11,363,287	8,707,913
Total liabilities and net assets	\$ 11,503,652	\$ 9,064,092

NRA Civil Rights Defense Fund

Statement of Activities

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 1,347,652	\$ 585,039	\$ 1,932,691
Net investment income	420,642	521,954	942,596
Change in value of split interest agreements	—	126,168	126,168
Other Income	—	—	-
Net assets released from restrictions	186,153	(186,153)	-
Total revenue and other support	1,954,447	1,047,008	3,001,455
Expenses			
Program	282,937	—	282,937
Administrative	63,139	—	63,139
Fundraising	5	—	5
Total expenses	346,081	—	346,081
Change In Net Assets	1,608,366	1,047,008	2,655,374
Net Assets			
Beginning of year	3,407,156	5,300,757	8,707,913
End of year	\$ 5,015,522	\$ 6,347,765	\$ 11,363,287

NRA Civil Rights Defense Fund

Statement of Activities

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 539,515	\$ 637,614	\$ 1,177,129
Net investment income	577,971	374,727	952,698
Change in value of split interest agreements	—	164,929	164,929
Other Income	4,020	—	4,020
Net assets released from restrictions	133,342	(133,342)	—
Total revenue and other support	1,254,848	1,043,928	2,298,776
Expenses			
Program	976,500	-	976,500
Administrative	82,147	-	82,147
Fundraising	2,507	-	2,507
Total expenses	1,061,154	-	1,061,154
Change in Net Assets	193,694	1,043,928	1,237,622
Net Assets			
Beginning of year	3,213,462	4,256,829	7,470,291
End of year	\$ 3,407,156	\$ 5,300,757	\$ 8,707,913

NRA Civil Rights Defense Fund

Statements of Functional Expenses

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			
	Program	Administrative	Fundraising	Total
Grants and assistance	282,937	\$ —	\$ —	\$ 282,937
Legal, audit and filing fees	—	41,840	—	41,840
Printing and publications	—	13,250	—	13,250
Information technology	—	—	5	5
Office supplies	—	817	—	817
Bank fees and services	—	4,056	—	4,056
Meetings	—	363	—	363
Other	—	2,813	—	2,813
Total	\$ 282,937	\$ 63,139	\$ 5	\$ 346,081

	2019			
	Program	Administrative	Fundraising	Total
Grants and assistance	966,500	\$ —	\$ —	\$ 966,500
Legal, audit and filing fees	10,000	42,923	—	52,923
Printing and publications	—	20,692	—	20,692
Information technology	—	—	5	5
Office supplies	—	4,391	—	4,391
Bank fees and services	—	4,128	—	4,128
Meetings	—	7,250	—	7,250
Other	—	2,763	2,502	5,265
Total	\$ 976,500	\$ 82,147	\$ 2,507	\$ 1,061,154

NRA Civil Rights Defense Fund

Statements of Cash Flows

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities		
Change in net assets	\$ 2,655,374	\$ 1,237,622
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Net increase in investment in endowment	(704,123)	(15,535)
Net unrealized gain on investments, other than investments at affiliate	(420,725)	(768,745)
Net realized gain on investments, other than investments at affiliate	(25,847)	(13,342)
Increase in value of split interest agreements	(126,168)	(164,929)
Changes in operating assets and liabilities:		
Decrease (increase) in pledges and contributions receivable	959,231	(954,025)
(Increase) decrease in amounts due from affiliates	(246,647)	212,207
Increase in other assets	(6,718)	(6,145)
(Decrease) increase in accounts payable	(202,692)	162,309
Net cash provided by (used in) operating activities	1,881,685	(310,583)
Cash Flows From Investing Activities		
Purchases of investments	(3,873,992)	(13,181)
Proceeds from sales of investments	1,796,607	162,598
Net cash (used in) provided by investing activities	(2,077,385)	149,417
Cash Flows From Financing Activities		
Proceeds from contributions restricted for:		
Investment in endowment	704,123	15,535
Payments on annuity obligations	(13,122)	(12,797)
Net cash provided by financing activities	691,001	2,738
Net Increase (Decrease) In Cash	495,301	(158,428)
Cash		
Beginning of year	441,995	600,423
End of year	\$ 937,296	\$ 441,995

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

I. Nature of Activities and Significant Accounting Policies

NRA Civil Rights Defense Fund (the “Fund”) was organized on July 22, 1978, as a nonprofit organization to voluntarily assist in the preservation and defense of the human, civil, and/or constitutional rights of the individual to keep and bear arms in a free society. The Fund receives the majority of its operating funds from general contributions.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Classification of Net Assets

To identify the observance of limitations and restrictions placed on the use of the resources available to the Fund, the accounts of the Fund 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 Fund’s general operations.

Net assets with donor-restrictions represent contributions and other inflows of assets whose use by the Fund for its programs are 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 Fund pursuant to those stipulations. Other donor-restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Concentration of Credit Risk

The Fund maintains its cash accounts in one commercial bank located in the Washington, DC, metropolitan area. During the normal course of business, the Fund may have funds on deposit exceeding the insurance limits of the

Federal Deposit Insurance Corporation. The Fund’s policy is to deposit these funds in only financially sound institutions. Nevertheless, these deposits are subject to some degree of credit risk, although the Fund has not experienced any such losses.

The Fund 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 the 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.

Pledges and Contributions Receivable

Unconditional pledges and contributions receivable consist of irrevocable and measurable bequest proceeds due to the Fund and donor promises to give in future periods, over a period of one to five years. An allowance for uncollectible pledges and contributions receivable is provided based upon management’s judgment of potential defaults.

Split Interest Agreements

The Fund is the beneficiary under two charitable remainder unitrust agreements held by a third party. Under the terms of the agreements, the Fund has the irrevocable right to receive a portion of the remaining trust assets upon expiration of the 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. The receivable from the trusts has been recorded at the present value of estimated cash flows. The discount rate applied ranged from 0.65% to 0.93% for the year ended December 31, 2020 and 1.83%

to 1.92% for the year ended December 31, 2019, and incorporated future life expectancies of 5 and 9 for the year ended December 31, 2020 and 6 and 10 for the year ended December 31, 2019.

Annuities Payable

Donors have established and funded gift annuity contracts. Under terms of the contracts, the Fund 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. For both the years ended December 31, 2020 and December 31, 2019 the discount rate applied ranged from 1.4% to 3.2%.

Outstanding Legacies

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

Revenue Recognition

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.

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.

Tax Status

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

The Fund 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 Fund 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 2017 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 Fund's tax positions and concluded that the Fund had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

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. All costs are recorded directly, with no further allocations between program services and supporting activities.

Adopted Accounting Pronouncement

During 2020, the Fund adopted Accounting Standards Update (ASU) No. 2018-03, Fair Value Measurement (Topic 820)): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13). The objective of ASU No. 2018-03 is to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles that is most important to users of each entity's financial statements. The result of adoption of the ASU was elimination of the fair value rollforward

for reoccurring Level 3 fair value measurements which was replaced with disclosure of transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities. ASU 2018-03 has been applied retrospectively at Note 3.

Subsequent Events

The Fund evaluated subsequent events through August 10, 2021, which is the date the financial statements were available to be issued.

2. Availability and Liquidity

The Fund 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 Fund's financial assets available to meet general expenditures within one year as of December 31, 2020 and 2019:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 937,296	\$ 441,995
Investments	6,848,653	4,324,696
Pledges and contributions receivable, net	54,162	1,012,393
Total financial assets	7,840,111	5,779,084
Less amounts not available to be used within one year:		
Net assets with donor restrictions	2,350,012	1,741,858
Financial assets not available to be used within one year	2,350,012	1,741,858
Financial assets available to meet general expenditures within one year	\$ 5,490,099	\$ 4,037,226

3. Investments

Investments, at fair value, as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Money market	\$ 136,389	\$ 113,050
Equity securities	4,889,937	2,401,858
Fixed income securities	1,822,327	1,809,788
Total	\$ 6,848,653	\$ 4,324,696

Investment income (loss) is composed of the following:

	2020	2019
Interest/dividend income	\$ 194,841	\$ 170,611
Net realized gain on investments	122,822	13,342
Net unrealized gain on investments	624,933	768,745
Total	\$ 942,596	\$ 952,698

4. Pledges and Contributions Receivable

At December 31, 2020 and 2019, donors to the Fund have unconditionally promised to give amounts as follows:

	2020	2019
Within one year	\$ 55,662	\$ 1,013,143
One to five years	—	1,000
	55,662	1,014,143
Less: allowance on pledges receivable	1,500	750
Total	\$ 54,162	\$ 1,013,393

Proceeds bequeathed and due to the Fund in the amount of \$50,000 and \$1,000,000 were included in contributions receivable at December 31, 2020 and 2019, respectively.

One donor represented 98.7% of pledges and contributions receivable at December 31, 2019, corresponding to 26.3% of total 2019 revenue. There were no such concentrations for the year ended December 31, 2020.

5. Commitments

Awards to reimburse legal costs in association with the Fund's mission are committed upon action of the Board, and subsequently become a program expense and a liability once legal work has been performed. At December 31, 2020 and 2019, \$503,878 and \$430,833 have been committed, respectively. Legal costs incurred on Board approved actions, and included in accounts payable at December 31, 2020 and 2019 were \$4,000 and \$114,000, respectively.

6. Fair Value Measurements

The Fund follows the 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 Fund'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 Fund performs a detailed analysis of the assets and liabilities that are subject to topic *Fair Value Measurement*. 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 Fund's short-term financial instruments, including receivables 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 present the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	As of December 31, 2020			
	Total	Level 1	Level 2	Level 3
Equity securities:				
Consumer discretionary	\$ 44,125	\$ 44,125	\$ —	\$ —
Consumer staples	3,862	3,862	—	—
Energy	106,591	106,591	—	—
Real estate	71,842	71,842	—	—
Financial services	26,182	26,182	—	—
Healthcare	35,351	35,351	—	—
Industrials	20,427	20,427	—	—
Information technology	60,900	60,900	—	—
Materials	15,231	15,231	—	—
Telecommunication services	21,720	21,720	—	—
Multi-strategy mutual funds	4,483,706	4,483,708	—	—
Total equity securities	4,889,937	4,889,937	—	—
Fixed income securities:				
U.S. Treasury security funds	237,042	237,042	—	—
Multi-strategy bond funds	1,585,285	279,896	—	—
Total available-for-sale fixed income securities:	1,822,327	1,822,327	—	—
Money market	136,389	136,389	—	—
Split interest agreements	949,613	—	—	949,613
Total	\$ 7,798,266	\$ 6,848,653	\$ —	\$ 949,613

As of December 31, 2019				
	Total	Level 1	Level 2	Level 3
Equity securities:				
Consumer discretionary	\$ 23,802	\$ 23,802	\$ —	\$ —
Consumer staples	12,288	12,288	—	—
Financial services	17,710	17,710	—	—
Healthcare	46,531	46,531	—	—
Industrials	9,961	9,961	—	—
Information technology	49,325	49,325	—	—
Materials	10,943	10,943	—	—
Telecommunication services	20,001	20,001	—	—
Multi-strategy mutual funds	2,211,297	2,211,297	—	—
Total equity securities	2,401,858	2,401,858	—	—
Fixed income securities:				
U.S. Treasury security funds	479,870	479,870	—	—
Multi-strategy bond funds	1,329,918	1,329,918	—	—
Total fixed income securities:	1,809,788	1,809,788	—	—
Money market	113,050	113,050	—	—
Split interest agreements	823,445	—	—	823,445
Total	\$ 5,148,141	\$ 4,324,696	\$ —	\$ 823,445

Money market funds, equity securities 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 Fund's interest in the trusts. Further, the Fund'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 Fund 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:

	2020	2019
Purchases	\$ —	\$ —
Issues	—	—
Transfers In (Out)	—	—
Settlements	—	—
Change in value of split interest agreements	\$ 126,168	\$ 164,929

7. Net Assets With Donor Restrictions and Endowment Funds

Net assets with donor-restrictions are restricted as follows:

	2020	2019
Perpetual in nature	\$ 4,228,485	\$ 3,533,907
Program awards	1,305,846	1,185,409
Endowment earnings – general operations	551,170	360,102
Other, including passage of time	262,264	221,339
Total	\$ 6,347,765	\$ 5,300,757

The Fund follows the 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. The Management of the Fund 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 Fund classifies as net assets with donor-restrictions (a) the original value of cash gifts donated to permanent endowment, (b) the discounted value of future gifts promised to permanent 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 Fund for the Board designated purpose. In accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted and/or Board designated endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Fund, donor-restricted endowment and/or Board designated 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 Fund
- The investment policies of the Fund

The Fund has adopted investment and spending policies for donor-restricted endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowment while seeking to maintain purchasing power of the endowment assets. The investment policy of the Fund 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 from endowments with donor-restrictions 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). The amount appropriated for endowments without donor-restrictions is made in accordance with donor stipulations and Board designations, respectively. The earnings on donor-restricted endowments are reflected as net assets with donor-restrictions until appropriated for expenditure in the form of program spending, generally for the purpose of awarding exemplary activities in support of the Right to Keep and Bear Arms.

The changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 929,710	\$ 4,883,991	\$ 5,813,701	\$ 762,679	\$ 3,846,800	\$ 4,609,479
Interest and dividends, net	22,923	120,982	143,905	36,038	64,600	100,638
Net appreciation	101,461	527,728	629,189	130,993	417,118	548,111
Designations and contributions	266,491	563,690	830,181	—	614,829	614,829
Amount appropriated for expenditure	—	(181,809)	(181,809)	—	(59,356)	(59,356)
Endowment net assets, end of year	\$ 1,320,585	\$ 5,914,582	\$ 7,235,167	\$ 929,710	\$ 4,883,991	\$ 5,813,701

The related assets are included in investments, amounts due from affiliates, and split interest agreements.

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, 2020 and 2019 is \$4,228,486 and \$3,533,908, respectively. Perpetually restricted endowments and related time restricted investment gains were included in net assets with donor restrictions as follows:

	2020	2019
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 4,228,486	\$ 3,533,908
Time restricted accumulated investment gains	1,686,096	1,350,083
Total donor-restricted perpetual endowment funds	\$ 5,914,582	\$ 4,883,991

8. Related Parties

The Fund is affiliated with the National Rifle Association of America (“NRA”) by virtue of the control vested in the Board of Directors of the NRA to appoint the members of the Board of Trustees of the Fund. The Fund has received certain benefits from this affiliation at no cost, among which are the use of office space and administrative services. Management has determined that the fair value of these benefits is minimal, and accordingly, no amounts are reflected in these financial statements.

The Fund reimburses the NRA for general operating expenses, paid by the NRA on the Fund’s behalf. These expenses totaled \$16,418 and \$41,831 for the years ended December 31, 2020 and 2019, respectively.

The Fund made awards to NRA to reimburse qualified legal costs in association with Fund’s mission totaling \$114,104 and \$652,384 for the years ended December 31, 2020 and 2019, of which \$0 are included in due from affiliates as of December 31, 2020 and 2019.

The NRA Foundation, Inc., an affiliated entity, maintains certain endowments and gift annuities benefiting the Fund. Additionally, the NRA Foundation, Inc. funded certain qualified Fund programs with grant awards totaling \$25,275 and \$21,035 for the years ended Dec 31, 2020 and 2019, respectively.

The following amounts were due from (to) affiliates at December 31:

	2020	2019
NRA Foundation, endowment	\$ 2,308,703	\$ 2,152,039
NRA Foundation, gift annuities	273,989	263,420
NRAF Foundation, grant payable (refunds)	5,000	(75,114)
NRA Foundation, other	6,616	7,690
Total NRA Foundation	2,589,308	2,348,035
NRA, other	(1,000)	(1,374)
Total affiliates	\$ 2,593,308	\$ 2,346,661

9. Covid-19 Uncertainties

As a result of the spread of the COVID-19 coronavirus, the Fund has experienced disruptions to daily operations. Economic uncertainties have arisen which are likely to negatively impact revenues. Other financial impacts could occur, though such potential impact is unknown at this time.

The NRA Civil Rights Defense Fund, a tax-exempt 501(c)(3) fund founded by former NRA Director George S. Knight, has supported more than 1,000 cases involving the civil rights of firearm owners, including New Orleans' gun confiscations in the aftermath of Hurricane Katrina; and the landmark Second Amendment cases, *D.C. v. Heller*; and *McDonald v. Chicago* on whether the Second Amendment applies to the state and its local government.

If you would like more information about CRDF legal activities, contact NRA CRDF, 11250 Waples Mill Road, Fairfax, VA 22030-9400 or call 703-267-1250.

To make your tax-deductible contribution, please make checks payable to NRA CRDF. Mail your tax-deductible contribution to NRA CRDF, P.O. Box 1884, Merrifield, VA 22116-9717 or make an online contribution through our secure server by visiting us online at www.nradefensefund.org.



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