UNITED CHARITABLE

FINANCIAL STATEMENTS

DECEMBER 31, 2024

PBMares

ASSURANCE, TAX & ADVISORY SERVICES

UNITED CHARITABLE

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United Charitable

Opinion

We have audited the financial statements of United Charitable (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

PBMares, LLP

Fairfax, Virginia
September 3, 2025

FINANCIAL STATEMENTS

UNITED CHARITABLE

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 1,536,503**	$ 1,654,577
Certificate of deposit	**-**	345,616
Grants receivable	**1,094,773**	29,961
Other current assets	**31,954**	21,688
Prepaid expenses	**147,970**	119,088
Total current assets	**2,811,200**	2,170,930
Investments, equity method, net		
Investees holding financial assets	**105,832,071**	109,040,362
Investees holding nonfinancial assets	**9,631,777**	9,722,101
Investees holding commercial real estate	**25,151,026**	24,472,416
Total investments, equity method	**140,614,874**	143,234,879
Investments, at fair value	**38,692,205**	33,242,696
Life Insurance, cash surrender value	**2,360,379**	3,475,263
Split-Interest Agreements	**2,109,624**	2,007,760
Right-of-Use Asset - operating	**169,604**	273,169
Property and Equipment, net	**-**	1,955
Security Deposits	**80,080**	12,328
Total assets	**$ 186,837,966**	$ 184,418,980
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	**$ 299,162**	$ 629,550
Short-term operating lease liabilities	**93,701**	103,494
Grant advance	**25,000**	23,534
Total current liabilities	**417,863**	756,578
Long-Term Operating Lease Liabilities	**83,000**	176,702
Total liabilities	**500,863**	933,280
Net Assets, without donor restrictions	**12,209,867**	13,261,413
Net Assets, with donor restrictions	**174,127,236**	170,224,287
Total net assets	**186,337,103**	183,485,700
Total liabilities and net assets	**$ 186,837,966**	$ 184,418,980

UNITED CHARITABLE

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions and grants	$ (25,265)	$ 8,884,336	$ 8,859,071
Non-cash contributions - LLC gifts	-	3,086,648	3,086,648
Non-cash contributions - marketable securities	-	3,789,339	3,789,339
Gain (loss) from equity method investees	(940,574)	-	(940,574)
Gain on investments	487,484	2,618,724	3,106,208
Event revenue	-	277,770	277,770
Program service revenue, net of expenses	1,289,105	(778,095)	511,010
Other income	36,531	160,440	196,971
Net assets released from restrictions	14,136,213	(14,136,213)	-
Total support and revenue	14,983,494	3,902,949	18,886,443
Expenses			
Program services	13,907,245	-	13,907,245
General and administrative	1,939,495	-	1,939,495
Fundraising	188,300	-	188,300
Total expenses	16,035,040	-	16,035,040
Change in net assets	(1,051,546)	3,902,949	2,851,403
Net Assets, beginning of year	13,261,413	170,224,287	183,485,700
Net Assets, end of year	$ 12,209,867	$ 174,127,236	$ 186,337,103

UNITED CHARITABLE

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions and grants	$ 16,351	$ 5,962,878	$ 5,979,229
Non-cash contributions - LLC gifts	-	8,122,200	8,122,200
Non-cash contributions - marketable securities	-	7,155,436	7,155,436
Contributed nonfinancial assets	-	-	-
Gain (loss) from equity method investees	2,889,600	(6,957,209)	(4,067,609)
Gain on investments	643,797	2,992,709	3,636,506
Event revenue	-	311,422	311,422
Program service revenue, net of expenses	1,211,404	(598,250)	613,154
Other income	-	139,367	139,367
Net assets released from restrictions	19,141,542	(19,141,542)	-
Total support and revenue	23,902,694	(2,012,989)	21,889,705
Expenses			
Program services	18,935,445	-	18,935,445
General and administrative	1,992,151	-	1,992,151
Fundraising	206,610	-	206,610
Total expenses	21,134,206	-	21,134,206
Change in net assets	2,768,488	(2,012,989)	755,499
Net Assets, beginning of year	10,492,925	172,237,276	182,730,201
Net Assets, end of year	$ 13,261,413	$ 170,224,287	$ 183,485,700

UNITED CHARITABLE

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services	General and Administrative	Fundraising	Total
Donations	$ 10,297,861	$ 1,525	$ -	$ 10,299,386
Salaries and employee benefits	771,717	1,277,135	157,002	2,205,854
Subcontractors and consultants	1,447,326	95,645	-	1,542,971
Program events	365,627	3,175	-	368,802
Travel and meals	210,399	50,103	17,637	278,139
Rent and occupancy	122,153	74,560	1,108	197,821
Advertising	164,859	-	114	164,973
Accounting and legal	3,929	158,616	-	162,545
Program support	142,859	-	-	142,859
Payroll taxes	55,679	77,540	9,003	142,222
Insurance	76,548	46,302	-	122,850
Bank fees	63,205	39,430	-	102,635
Office expense	63,894	8,699	3,436	76,029
Maintenance	2,115	72,269	-	74,384
Publications	37,837	-	-	37,837
Equipment rental and repairs	30,328	200	-	30,528
Miscellaneous	18,869	10,603	-	29,472
Conferences	16,419	4,981	-	21,400
Licenses, taxes and fees	4,481	10,071	-	14,552
Dues and subscriptions	7,402	4,021	-	11,423
Telephone	1,783	4,620	-	6,403
Depreciation	1,955	-	-	1,955
Total expenses	$ 13,907,245	$ 1,939,495	$ 188,300	$ 16,035,040

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STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Donations	$ 14,810,346	$ -	$ -	$ 14,810,346
Salaries and employee benefits	1,099,555	1,125,498	170,504	2,395,557
Subcontractors and consultants	1,168,452	260,428	-	1,428,880
Program events	298,858	9,790	-	308,648
Travel and meals	231,526	73,418	20,646	325,590
Rent and occupancy	192,132	79,655	1,530	273,317
Advertising	212,039	-	146	212,185
Accounting and legal	346,003	153,365	-	499,368
Program support	117,177	-	-	117,177
Payroll taxes	91,768	68,353	10,821	170,942
Insurance	55,384	48,728	-	104,112
Bank fees	56,358	35,115	-	91,473
Office expense	46,803	15,802	2,963	65,568
Maintenance	21,199	72,241	-	93,440
Publications	18,928	-	-	18,928
Equipment rental and repairs	35,637	2,658	-	38,295
Miscellaneous	80,741	24,668	-	105,409
Conferences	28,112	2,329	-	30,441
Licenses, taxes and fees	14,549	8,689	-	23,238
Dues and subscriptions	6,469	4,976	-	11,445
Telephone	1,454	6,438	-	7,892
Depreciation	1,955	-	-	1,955
Total expenses	$ 18,935,445	$ 1,992,151	$ 206,610	$ 21,134,206

UNITED CHARITABLE

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	**$ 2,851,403**	$ 755,499
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	**1,955**	1,955
Non-cash contributions in	**(6,875,987)**	(15,277,636)
Non-cash donations out	**3,479,862**	8,085,935
Reduction in the carrying amount of right-of-use assets	**112,822**	93,529
Loss from equity method investees	**940,574**	4,067,609
Realized and unrealized gain on investments	**(2,144,964)**	(2,071,690)
Increase (decrease) in life insurance cash surrender value	**1,114,884**	(61,057)
Decrease (increase) in:		
Grants receivable	**(1,064,812)**	239,330
Other receivables	**(10,266)**	(4,200)
Prepaid expenses	**(28,882)**	(42,925)
Split-interest agreements	**(101,864)**	(965,431)
Security deposits	**(67,752)**	-
Increase (decrease) in:		
Accounts payable and accrued expenses	**(330,388)**	273,033
Grant advance	**1,466**	23,534
Cash paid for reduction of operating lease liability	**(112,752)**	(91,144)
Net cash used in operating activities	**(2,234,701)**	(4,973,659)
Cash Flows from Investing Activities		
Proceeds from sales of investments	**12,023,702**	12,147,355
Distributions of LP/LLC principal	**1,286,217**	1,463,662
Redemption of certificate of deposit	**345,616**	-
Purchase of certificate of deposit	**-**	(345,616)
Purchases of investments	**(11,538,908)**	(8,639,723)
Net cash provided by investing activities	**2,116,627**	4,625,678
Decrease in cash and cash equivalents	**(118,074)**	(347,981)
Cash and Cash Equivalents		
Beginning	**1,654,577**	2,002,558
Ending	**$ 1,536,503**	$ 1,654,577
Supplemental Disclosure of Cash Flow Information		
Right-of-use assets exchanged for operating lease liabilities	**$ -**	$ 60,326

UNITED CHARITABLE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

United Charitable (the Organization), operates exclusively as an organization authorized to engage in religious, charitable, scientific, literary or educational activities by consolidating the administration of these activities through fiscally sponsored programs and Donor Advised Funds.

Any person or corporation, with approval from the Organization's Board of Directors, may establish a Charitable Program at the Organization to engage in activities compatible to the mission objectives of the Organization. Charitable Programs are held and administered by the Organization. Assets donated to the Organization in support of the purposes of specific charitable programs operated by the Organization are treated as net assets with donor restriction dedicated to those specific purposes, and that only the sponsorship fees, interest and charges paid to the general fund of the Organization shall be treated as net assets without donor restriction. The Organization observes the charitable trust doctrine to maximize the protection of restricted assets from potential general creditors of the Organization. Final approval of the use of all Charitable Program Funds rests with the Organization and its Board of Directors.

Donor Advised Funds at the Organization are administered under restrictions set forth in the 2006 Pension Protection Act. Donors may make recommendations on the investment of or the use of donated funds, which are restricted to qualified charities in the United States and abroad. Donors may also organize a scholarship program with the Organization and recommend to disburse funds to the college or university of a scholarship recipient. As with its Charitable Programs, the Organization maintains final oversight on all donations and scholarship requests for its Donor Advised Funds.

A summary of the Organization's significant accounting policies follows:

Basis of accounting: The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), whereby revenues are recorded when earned and expenses are recorded when obligations are incurred.

Cash and cash equivalents: The Organization considers highly liquid investments purchased with maturities of less than three months to be cash equivalents. The Organization maintains its cash in checking and savings accounts with financial institutions. Such deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. The Organization has not experienced any losses in any accounts and does not believe it is exposed to significant credit risk with these deposits.

Grants receivable: Grants receivable that are expected to be collected in less than one year are reported at net realizable value. Grants receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flow. Amortization of the resulting discount is recognized as contribution revenue. There was no allowance for credit losses or bad debt expense related to grants receivable for the years ended December 31, 2024 and 2023.

Investments accounted for using the equity method: The Organization receives CFLP/LLC contributions, where donors establish a CFLP/LLC, contribute various assets, many of which are security instruments, and then donate a percentage of the membership units to the Organization. The donor is the general partner and the Organization is a limited partner of the CFLP/LLC. As such, the Organization cannot and does not exercise any management authority over the operation of these entities.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Investments accounted for using the equity method (continued): CFLP/LLCs are recorded at estimated fair value as of the date of donation and are subsequently reported using the equity method. CFLP/LLC donations to the Organization for the years ended December 31, 2024 and 2023 were $3,086,648 and $8,122,200 respectively.

The Organization recognized an allowance on the valuation of CFLP/LLCs of $1,082,125 and $0 for the years ended December 31, 2024 and 2023, respectively.

Investments accounted for using fair value: Investments are originally recorded at cost if purchased or estimated fair value on the date of donation. Subsequently, investments are carried at fair value. Net investment income (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capitals gains and losses, less external investment expenses.

Split-interest agreements: Split-interest agreements consist of charitable remainder trusts. Under charitable remainder trusts, donors establish and fund trusts with specified distributions to be made to beneficiaries over the trusts' terms. The Organization records charitable remainder trusts for which it is not the trustee at the net present value of the projected cash flows.

Property and equipment: Property and equipment includes land, buildings, furniture, fixtures and equipment that are used in charitable activities of the Organization's Charitable Programs. These assets are recorded at cost or, if donated, at net realizable value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of 3 to 30 years.

All acquisitions of property and equipment of $5,000 or more, and all expenditures for major renewals and betterments that extend the useful lives of property and equipment, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Leases: The Organization accounts for leases in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), as amended. The Organization made accounting policy elections such as exclusion of short-term leases (leases with a term of 12 months or less and which do not include a purchase option that the Organization is reasonably certain to exercise) from the statements of financial position presentation, use of portfolio approach in determination of discount rate and accounting for nonlease components in a contract as part of a single lease component for all asset classes, except specific mining operation equipment. The Organization does not separate lease components for real estate leases.

Additionally, the Organization made accounting policy elections such as exclusion of short-term leases (leases with a term of 12 months or less and which do not include a purchase option that the Organization is reasonably certain to exercise) from the statements of financial position presentation, use of portfolio approach in determination of discount rate and accounting for nonlease components in a contract as part of a single lease component for all asset classes, except specific mining operation equipment. The Organization does not separate lease components for real estate leases.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Leases (continued): At contract inception, the Organization determines if a contract is or contains a lease and whether it is an operating lease or a finance lease. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract; and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

For leases that have a lease term greater than one year, the Organization initially recognizes lease liabilities and right-of-use (ROU) assets at the lease commencement date, which is the date that the lessor makes an underlying asset available for use by the Organization. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the present value of the Organization's obligation to make lease payments, primarily escalating fixed payments, over the lease term. The discount rate used to determine the present value of the lease payments is generally the rate implicit in the lease agreement. If the discount rate implicit in the lease agreement is not readily determinable, the Organization uses its incremental borrowing rate.

The incremental borrowing rate for the lease term is determined by adjusting the Organization's unsecured borrowing rate for a similar term to approximate a collateralized borrowing rate. The Organization's lease terms for each of its leases represents the noncancelable period for which the Organization has the right to use an underlying asset, together with all of the following: (i) periods covered by an option to extend the lease, if the Organization is reasonably certain to exercise that option; (ii) periods covered by an option to terminate the lease if the Organization is reasonably certain not to exercise that option; and (iii) periods covered by an option to extend (or not to terminate) the lease in which exercise of the option is controlled by the lessor. The Organization recognizes lease expense on a straight-line basis over the lease term.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of any index or other periodic market-rate adjustments to base rent are recorded in variable lease expenses in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

***Net assets**:* Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are permanent in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition: The Organization does not currently have significant revenue from contracts with customers, although this may change in the future.

Contributions: Non-cash contributions are recorded at fair value on the date of donation. Contributions are recorded when received as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or a 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.

Non-exchange transactions may be subject to conditions which are defined under FASB ASU No. 2018-08 as both a barrier to entitlement and a right of return of payments or release from obligations. The Organization receives grants that may be primarily conditional non-exchange transactions. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as grant advances. The Organization recognized $25,000 and $23,534 in grant advances at December 31, 2024 and 2023, respectively. The total amounts awarded under conditional grants with amounts not yet recognized at year end were $2,325,990 and $142,887 for the years ended December 31, 2024 and 2023. Remaining amounts of conditional grants not yet recognized on the financial statements as cash have not been received and conditions have not been met were $1,078,603 and $44,556 at December 31, 2024 and 2023, respectively. For the year ended December 31, 2024, $1,052,023 of these funds are conditional upon expending allowable costs for projects related to the Organizations various programs and $26,580 are conditional upon satisfactory performance under the grant agreements. During the year ended December 31, 2023, the funds were conditional upon expending allowable costs for projects.

Gain or loss from equity method investee: The Organization’s share of the net income or loss of CFLP/LLC will be recognized in the Organization’s statements of activities and added to the investment balance, and dividends received from CFLP/LLC will be treated as a reduction of the investment balance.

Contributed nonfinancial assets: All contributed nonfinancial assets are recorded as contribution revenue and expensed at their fair value at the date of donation. Contributed services are recognized if the services rendered either create or enhance nonfinancial assets and the services require special skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions are recorded as support without donor restrictions. There were no contributed nonfinancial assets recorded for the year ended December 31, 2024 and 2023.

Functional allocation of expenses: Certain costs of providing various program services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income taxes: The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax. The Organization adopted the provisions of accounting for uncertainty in income tax positions as required by FASB Accounting Standard Codification (ASC) Topic 740, *Income Taxes*; however, management does not believe it is exposed to any such positions as defined in this guidance, nor do they expect this to change significantly over the next 12 months. The Organization files Form 990, *Return of Organization Exempt from Income Tax*, annually with the United States Department of the Treasury. Such returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Commitments and contingencies: The Organization may periodically be involved in various legal proceedings. It is the Organization's policy to accrue amounts related to these legal matters if it is probable that a liability will be incurred and an amount is reasonably estimable. The Organization believes that any legal proceedings in which it is involved will not materially affect its financial position, future operating results or cash flows. However, it is reasonably possible that management's estimate could change in the future.

Subsequent events: The Organization has evaluated all subsequent events through September 3, 2025, which is the date these financial statements were available to be issued. See Note 9.

Note 2. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statements of financial position date for general expenditures, were comprised of the following at December 31:

	2024	2023
Cash and cash equivalents	**$ 1,536,503**	$ 1,654,577
Certificate of deposit	**-**	345,616
Grants receivable	**1,094,773**	29,961
Other current assets	**31,954**	21,688
Financial assets available to meet cash needs for general expenditures within one year	**$ 2,663,230**	$ 2,051,842

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

Note 2. Liquidity and Availability of Resources (Continued)

The Organization is supported by contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. These resources with a donor restriction may not be available for general expenditure within one year of the statements of financial position date.

Note 3. Investments Accounted for Using the Equity Method

The financial position and results of operations of the investments accounted for using the equity method as of and for the year ended December 31, 2024 are summarized below:

	Information as of December 31, 2024		
	Investees holding commercial real estate	**Investees holding financial assets**	**Investees holding nonfinancial assets**
Total assets	**$ 29,036,464**	**$ 125,098,860**	**$ 11,213,034**
Total liabilities	**$ 398,291**	**$ 4,698,316**	**$ 501,313**
Equity	**28,638,173**	**120,400,544**	**10,711,721**
Total liabilities and equity	**$ 29,036,464**	**$ 125,098,860**	**$ 11,213,034**
	Results of Operations for Year Ended December 31, 2024		
Results of operations	**$ 1,737,023**	**$ (1,022,071)**	**$ 181,359**

The financial position and results of operations of the investments accounted for using the equity method as of and for the year ended December 31, 2023 are summarized below:

	Information as of December 31, 2023		
	Investees holding commercial real estate	Investees holding financial assets	Investees holding nonfinancial assets
Total assets	$ 27,429,974	$ 126,078,273	$ 11,031,598
Total liabilities	$ 528,824	$ 4,655,658	$ 501,236
Equity	26,901,150	121,422,615	10,530,362
Total liabilities and equity	$ 27,429,974	$ 126,078,273	$ 11,031,598
	Results of Operations for Year Ended December 31, 2023		
Results of operations	$ 1,077,869	$ 1,158,003	$ (6,169,054)

Note 4. Investments Held at Fair Value and Investment Return

Gain on investments consisted of the following at December 31:

		2024		2023
Interest and dividends	**$**	**1,167,883**	$	858,040
Net realized gains		**1,806,254**		990,607
Net unrealized gains		**338,710**		1,081,083
Change in value of split-interest agreements		**101,865**		965,430
Investment fees		**(308,504)**		(258,654)
Total gain on investments	**$**	**3,106,208**	$	3,636,506

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the techniques and inputs used at December 31, 2024 and 2023.

Note 4. Investments Held at Fair Value and Investment Return (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the techniques and inputs used at December 31, 2024 and 2023.

Mutual funds: Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Money fund accounts: Shares of money funds are valued at quoted market prices that represent the NAV of shares held by the Organization at year-end.

Exchange traded funds (ETF): The fair value of ETFs is the market value in trades in active markets.

Real estate investment trust (REIT): The fair value of REITs is the market value in trades in active markets.

Equity securities: Securities listed on US and global exchanges generally are valued at the last sale price on the exchange on which the security is principally traded. The value of securities listed on the NASDAQ Stock Market, Inc. is generally the NASDAQ Official Closing Price. Listed foreign equity securities for which the latest sale prices are not available generally are valued at the average of the latest bid and ask price as of the closing of the primary exchange where such securities are normally traded. Unlisted securities generally are valued at the last sale price.

Annuities: The fair value of annuities is derived from the underlying value of the contracts.

Note 4. Investments Held at Fair Value and Investment Return (Continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2024 and 2023:

	Fair Value Measurements as of December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments, fair value				
Mutual funds	**$ 11,309,426**	**$ -**	**$ -**	**$ 11,309,426**
Money fund accounts	**434,044**	**-**	**-**	**434,044**
ETF	**18,186,146**	**-**	**-**	**18,186,146**
REIT	**109,178**	**-**	**-**	**109,178**
Equity securities, publicly traded	**8,226,875**	**-**	**-**	**8,226,875**
Fixed income	**-**	**357,711**	**-**	**357,711**
Annuities	**-**	**68,825**	**-**	**68,825**
Total investments, fair value	**38,265,669**	**426,536**	**-**	**38,692,205**
Split-Interest Agreements	**-**	**-**	**2,109,624**	**2,109,624**
Total assets in the fair value hierarchy	**$ 38,265,669**	**$ 426,536**	**$ 2,109,624**	**$ 40,801,829**

	Fair Value Measurements as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Investments, fair value				
Mutual funds	$ 8,923,100	$ -	$ -	$ 8,923,100
Money fund accounts	4,511,353	-	-	4,511,353
ETF	16,764,509	-	-	16,764,509
REIT	84,837	-	-	84,837
Equity securities, publicly traded	2,549,229	-	-	2,549,229
Fixed income	-	342,429	-	342,429
Annuities	-	67,239	-	67,239
Total investments, fair value	32,833,028	409,668	-	33,242,696
Split-Interest Agreements	-	-	2,007,760	2,007,760
Total assets in the fair value hierarchy	$ 32,833,028	$ 409,668	$ 2,007,760	$ 35,250,456

Note 4. Investments Held at Fair Value and Investment Return (Continued)

The following table summarizes the changes during the year to Level 3 investment instruments for the years ended December 31:

	2024	2023
	Split-Interest Agreements	
Balances, beginning of year	**$ 2,007,760**	$ 1,042,329
Realized and unrealized gains	**101,864**	965,431
Balances, end of year	**$ 2,109,624**	$ 2,007,760

Note 5. Property and Equipment

Property and equipment consisted of the following at December 31:

	2024	2023
Furniture, fixtures & office equipment	**$ 31,532**	$ 31,532
Less accumulated depreciation	**(31,532)**	(29,577)
Property and equipment, net	$ -	$ 1,955

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2024	2023
Purpose Restricted		
Charitable Programs	**$ 174,127,236**	$ 170,224,287

Net assets released from restriction during the years ended December 31, 2024 and 2023 through satisfaction of the following purpose restrictions:

	2024	2023
Purpose Restricted		
Charitable Programs	**$ 14,136,213**	$ 19,141,542

Note 7. Charitable Programs and Donor Advised Funds

Each program approved by the Organization's Board of Directors becomes a Charitable Program. At December 31, 2024 and 2023, the Organization had approximately 145 and 120 Charitable Programs, respectively. The Program Manager, who is not a contributor, may nominate contributions or gifts received by the Organization for a particular charitable use.

At December 31, 2024 and 2023, the Organization had approximately 475 and 450 Donor Advised Funds, respectively. Net assets with donor restrictions primarily represent the initial contribution made by the founder and contributions and fees received for Donor Advised Funds approved by the Board of Directors. The donor may nominate contributions or gifts received by the Organization for a particular charitable use. Unexpended amounts are treated as net assets with donor restriction.

Note 8. Retirement Plan

All Organization employees who have been employed by the Organization for thirty days are eligible to participate in a 401(k) plan. The Organization made retirement plan contributions of $46,246 and $37,918 for the years ended December 31, 2024 and 2023, respectively.

Note 9. Leases

The Organization leases office space lease in Ashburn, Virginia, which expires December 31, 2026 with the option to renew for an additional five years. The terms of the lease agreement require base monthly payments of $5,562, increasing approximately three percent each year.

The Organization leases office space for one of its programs, which expired June 30, 2025. The terms of the lease agreement required base monthly payments of $2,756. Subsequent to year end, the Organization renewed this lease with additional leased space for a two-year term, expiring June 30, 2027. The lease agreement requires monthly payments of $4,114, increasing to $4,279 in July 2026.

Lease expense consisted of the following at December 31:

	2024	2023
Lease Expense		
Operating lease expense	**$ 112,922**	$ 96,286
Short-term lease expense	**84,899**	177,031
Total lease expense	**$ 197,821**	$ 273,317

Note 9. Leases (Continued)

The following is other supplemental information relating to the Organization's operating lease:

		2024		2023
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	**$**	**112,752**	$	91,144
ROU assets obtained in exchange for new operating lease liabilities	**$**	**-**	$	60,326
Weighted-average remaining lease term in years for operating leases		**1.86**		2.74
Weighted-average discount rate for operating leases		**4.09%**		4.17%

Future maturities of the Organization's operating lease are as follows:

Year Ending December 31,		Amount
2025	$	98,604
2026		84,528
Total undiscounted cash flows		183,132
Less: present value discount		(6,431)
Total lease liabilities	$	176,701

Note 10. Related Party Transactions

The Organization was supported by National Heritage Foundation (NHF) which closed as of December 31, 2022. NHF was organized exclusively for the benefit of United Charitable. The Organization paid expenses on behalf of NHF of $0 and $3,441 during the years ended December 31, 2024 and 2023, respectively.

Note 11. Employee Retention Credits

During the year ended December 31, 2022, the Organization applied for Employee Retention Credits totaling $157,791, the amount is included in grant revenue on the statements of activities. The Organization received the balance in full during the year ended December 31, 2023.

Note 12. Donor Concentrations

A significant portion of the Organization's support and revenue is derived from contributions and grants and non-cash contributions. For the year ended December 31, 2024, one major donor generated 16% of total revenue and support. For the year ended December 31, 2023, two major donors generated 43% of total revenue and support.

Note 13. Change in Accounting Estimate

A change in accounting estimate results from new information or changes in estimation methods impacting the carrying amount of assets or liabilities. The Organization obtained new information relating to the previous valuation of two of the LLCs accounted for using the equity method, which resulted in the value of the LLCs being written down from $9,598,927 to $0. A change in accounting estimate is applied prospectively, without restatement of previously issued financial statements, and thus the reduction of Investments, equity method on the statements of financial position and gain/loss from equity method investees was recorded during year ended December 31, 2023.