

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
ULMAN FOUNDATION, INC.
Years ended December 31, 2024 and 2023

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	6
STATEMENTS OF ACTIVITIES	7
STATEMENTS OF FUNCTIONAL EXPENSES	9
STATEMENTS OF CASH FLOWS	11
NOTES TO FINANCIAL STATEMENTS	12

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ulman Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Ulman Foundation, Inc. (formerly The Ulman Cancer Fund for Young Adults) (the Organization), which comprise the statements of financial position as of December 31, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2024 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2023 were audited by other auditors whose report dated November 13, 2024 expressed an unmodified opinion on those statements.

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.

Responsibilities of Management for the Financial Statements (continued)

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 to continue as a going concern within one year after the date that the financial statements are 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 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Struss & Associates, P.A.

Owings Mills, Maryland
October 14, 2025

ULMAN FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

ASSETS

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 584,809	\$ 576,785
Investments	699,194	529,527
Pledges receivable - net	1,636,342	205,688
Other receivables - net	154,686	444,551
Prepaid expenses and other assets	53,337	36,005
Property and equipment - net	<u>2,356,390</u>	<u>2,288,089</u>
 Total assets	 <u><u>\$ 5,484,758</u></u>	 <u><u>\$ 4,080,645</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 174,907	\$ 131,008
Deferred revenue	69,215	24,534
Note payable - net	<u>768,948</u>	<u>808,493</u>
 Total liabilities	 <u>1,013,070</u>	 <u>964,035</u>
NET ASSETS		
Without donor restrictions		
Undesignated	1,983,287	2,102,254
Board designated	<u>699,194</u>	<u>529,527</u>
 Total without donor restrictions	 2,682,481	 2,631,781
With donor restrictions	<u>1,789,207</u>	<u>484,829</u>
 Total net assets	 <u>4,471,688</u>	 <u>3,116,610</u>
 Total liabilities and net assets	 <u><u>\$ 5,484,758</u></u>	 <u><u>\$ 4,080,645</u></u>

See accompanying notes to financial statements.

ULMAN FOUNDATION, INC.

STATEMENT OF ACTIVITIES

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND SUPPORT			
Contributions and grants	\$ 1,180,018	\$ 1,898,375	\$ 3,078,393
Special events, net of direct expenses of \$134,823	563,075	-	563,075
Net assets released from restrictions	<u>593,997</u>	<u>(593,997)</u>	<u>-</u>
Total operating revenues and support, net	<u>2,337,090</u>	<u>1,304,378</u>	<u>3,641,468</u>
EXPENSES			
Operating expenses			
Program services	1,745,403	-	1,745,403
General and administrative	349,110	-	349,110
Fundraising	<u>350,647</u>	<u>-</u>	<u>350,647</u>
Total operating expenses	<u>2,445,160</u>	<u>-</u>	<u>2,445,160</u>
Change in net assets from operating activities	(108,070)	1,304,378	1,196,308
Non-operating revenues and expenses			
Other expenses, net	(23,690)	-	(23,690)
Interest expense	(46,512)	-	(46,512)
Loss on disposal of property and equipment	(1,016)	-	(1,016)
Investment income, net	<u>229,988</u>	<u>-</u>	<u>229,988</u>
Total non-operating revenues and expenses, net	<u>158,770</u>	<u>-</u>	<u>158,770</u>
CHANGE IN NET ASSETS	50,700	1,304,378	1,355,078
NET ASSETS			
- beginning of year	<u>2,631,781</u>	<u>484,829</u>	<u>3,116,610</u>
NET ASSETS			
- end of year	<u>\$ 2,682,481</u>	<u>\$ 1,789,207</u>	<u>\$ 4,471,688</u>

See accompanying notes to financial statements.

ULMAN FOUNDATION, INC.

STATEMENT OF ACTIVITIES

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND SUPPORT			
Contributions and grants	\$ 899,211	\$ 326,165	\$ 1,225,376
Special events, net of direct expenses of \$61,840	483,372	-	483,372
Net assets released from restrictions	<u>244,916</u>	<u>(244,916)</u>	<u>-</u>
Total operating revenues and support, net	<u>1,627,499</u>	<u>81,249</u>	<u>1,708,748</u>
EXPENSES			
Operating expenses			
Program services	1,721,129	-	1,721,129
General and administrative	363,040	-	363,040
Fundraising	<u>338,680</u>	<u>-</u>	<u>338,680</u>
Total operating expenses	<u>2,422,849</u>	<u>-</u>	<u>2,422,849</u>
Change in net assets from operating activities	(795,350)	81,249	(714,101)
Non-operating revenues and expenses			
Other revenue, net	255	-	255
Employee retention credit income	292,235	-	292,235
Interest expense	(48,392)	-	(48,392)
Loss on disposal of property and equipment	(1,281)	-	(1,281)
Investment income, net	<u>58,462</u>	<u>-</u>	<u>58,462</u>
Total non-operating revenues and expenses, net	<u>301,279</u>	<u>-</u>	<u>301,279</u>
CHANGE IN NET ASSETS	(494,071)	81,249	(412,822)
NET ASSETS			
- beginning of year	<u>3,125,852</u>	<u>403,580</u>	<u>3,529,432</u>
NET ASSETS			
- end of year	<u>\$ 2,631,781</u>	<u>\$ 484,829</u>	<u>\$ 3,116,610</u>

See accompanying notes to financial statements.

ULMAN FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 998,197	\$ 153,649	\$ 136,446	\$ 1,288,292
Employee benefits	111,850	11,226	19,540	142,616
Payroll taxes	75,080	9,787	10,409	95,276
Accounting and legal fees	12,031	93,394	-	105,425
Advertising and branding	10,665	-	-	10,665
Bank charges	22,459	13,595	16,340	52,394
Community outreach	313,074	22,201	66,551	401,826
Contractual services	22,542	1,960	87,860	112,362
Credit loss expense	-	-	4,000	4,000
Depreciation and amortization	81,567	322	1,667	83,556
Dues and subscriptions	17,740	2,955	4,393	25,088
Insurance	2,180	29,507	-	31,687
Office expenses	12,400	2,460	2,107	16,967
Postage and delivery	16,004	205	30	16,239
Printing and publications	-	1,603	276	1,879
Support groups	10,724	-	-	10,724
Telephone	2,847	6,030	775	9,652
Travel	5,010	216	253	5,479
Utilities	27,125	-	-	27,125
Website	3,908	-	-	3,908
Total operating expenses	<u>\$ 1,745,403</u>	<u>\$ 349,110</u>	<u>\$ 350,647</u>	<u>\$ 2,445,160</u>

See accompanying notes to financial statements.

ULMAN FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 932,095	\$ 82,839	\$ 163,673	\$ 1,178,607
Employee benefits	99,511	28,826	16,756	145,093
Payroll taxes	73,488	6,370	12,923	92,781
Accounting and legal fees	850	104,596	-	105,446
Advertising and branding	11,409	7,260	-	18,669
Automobile repairs	361	66	-	427
Bank charges	9,932	26,424	11,174	47,530
Community outreach	316,007	1,544	84,838	402,389
Contractual services	-	22,266	5,563	27,829
Credit loss expense	-	-	21,940	21,940
Depreciation and amortization	140,847	351	351	141,549
Dues and subscriptions	21,939	4,062	2,410	28,411
Insurance	2,292	30,227	-	32,519
Meetings and conferences	206	1,418	-	1,624
Office expenses	13,821	7,579	17,339	38,739
Postage and delivery	19,973	2,610	16	22,599
Printing and publications	-	971	-	971
Support groups	1,471	-	-	1,471
Telephone	2,103	4,651	-	6,754
Travel	23,516	2,061	50	25,627
Utilities	48,500	6,770	39	55,309
Website	2,808	22,149	1,608	26,565
Total operating expenses	<u>\$ 1,721,129</u>	<u>\$ 363,040</u>	<u>\$ 338,680</u>	<u>\$ 2,422,849</u>

See accompanying notes to financial statements.

ULMAN FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,355,078	\$ (412,822)
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation	83,556	139,070
Amortization of debt issuance costs	2,510	4,082
Net realized and unrealized (gain) loss on investments	(155,097)	(49,184)
Interest and dividends reinvested	(11,167)	(9,615)
Loss on disposal of property and equipment	1,016	1,281
(Increase) decrease in:		
Pledges receivable	(1,430,654)	(63,560)
Other receivables	289,865	(205,969)
Prepaid expenses and other assets	(17,332)	33,730
Increase (decrease) in:		
Accounts payable and accrued expenses	43,899	11,725
Deferred revenue	<u>44,681</u>	<u>(6,436)</u>
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	<u>206,355</u>	<u>(557,698)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	287,219	151,536
Purchases of investments	(290,622)	(182,371)
Purchases of property and equipment	<u>(152,873)</u>	<u>(3,688)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(156,276)</u>	<u>(34,523)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(37,446)	(33,089)
Debt issuance costs paid	<u>(4,609)</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(42,055)</u>	<u>(33,089)</u>
NET INCREASE (DECREASE) IN CASH	8,024	(625,310)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>576,785</u>	<u>1,202,095</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 584,809</u>	<u>\$ 576,785</u>
<u>SUPPLEMENTAL DISCLOSURE</u>		
Interest paid	<u>\$ 45,259</u>	<u>\$ 44,310</u>

See accompanying notes to financial statements.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – NATURE OF ACTIVITIES

Ulman Foundation, Inc. provides support programs, education and resources, free of charge, to young adults affected by cancer and their families and friends. The Organization also promotes awareness and prevention of cancer through various programs and printed material.

NOTE B – DATE OF MANAGEMENT'S REVIEW

The Organization evaluated, for disclosure, any subsequent events through October 14, 2025, the date the financial statements were available to be issued, and no material events have occurred through that date that warrant disclosure.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Organization are prepared on the accrual basis of accounting whereby revenue and support is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Not-for-Profit Entities: Presentation of Financial Statements (ASC 958). Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions are the net assets that are not restricted by donor-imposed stipulations:

Undesignated – Represents resources available for support of operations. Contributions with donor-imposed restrictions that are met in the same reporting period that the contribution is received are reported as net assets without donor restrictions.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial Statement Presentation (continued)

Board designated – Represents certain amounts designated by the Organization's Board of Directors (the Board), to be spent only for purposes approved by the Board.

Net assets with donor restrictions: Net assets with donor restrictions result from contributions whose use is limited by donor-imposed stipulations. Net assets may be donor restricted for use in future periods or for specific purposes. Donor restrictions may expire by the passage of time or can be fulfilled by actions of the Organization pursuant to these stipulations. Net assets with donor restrictions may also result from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled by the Organization's actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent 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 differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. Cash accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. The Organization periodically maintains cash balances in excess of FDIC coverage. Management considers this to be a normal business risk.

Investments

Investments are reported at fair value in the Statements of Financial Position. Realized and unrealized gains and losses are included in the change in net assets. See Note D for a discussion of fair value measurements.

The Board determines when investment funds can be spent. The Organization's investment policy is to have a diversified, risk-averse balanced portfolio which will provide a high total return over the long-term.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments (continued)

The Organization invests in a professionally managed portfolio. Such investments are exposed to various risks such as interest rate, 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 risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Pledges Receivable

Pledges receivable are recognized when donors and corporate sponsors make a promise to contribute to the Organization that is, in substance, unconditional.

In accordance with ASC 958-310, *Not-for-Profit Entities: Receivables*, pledges receivable to be received in a future period are discounted to their net present value at the time the promise to give is recorded.

The Organization uses the allowance method to determine the reserve for uncollectible pledges. The allowance is based on historical experience and management's analysis of specific pledges. There was no allowance for doubtful pledges receivable as of December 31, 2024 and 2023.

Other Receivables

The Organization utilizes the allowance method to provide for the allowance for credit losses based on management's evaluation of the collectability of other receivables. The measurement and recognition of credit losses involves the use of judgment and represents management's estimate of expected lifetime credit losses. The Organization determines other receivables to be delinquent when greater than 90 days past due and based on past, current and forecasted economic conditions. Other receivables are written off when management determines amounts to be uncollectible. The allowance for credit losses for other receivables totaled \$5,750 and \$0 as of December 31, 2024 and 2023, respectively.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment

Property and equipment are recorded at cost if purchased and fair value if donated. The Organization's current policy is to capitalize all property and equipment greater than \$500. Upon disposal of property and equipment, the cost of the asset and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recorded in earnings. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation of property and equipment are determined on a straight-line basis over the estimated useful lives of the assets ranging from 5-39 years.

Revenue Recognition

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised goods or services (performance obligation) in an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services (transaction price). The Organization recorded the following exchange transaction revenue in its statements of activities for the years ended December 31, 2024 and 2023:

Special event revenue: The Organization conducts special events and a portion of the gross proceeds paid by the participant represent an exchange component and a non-exchange component. The special event exchange component consists of the event fee, which is paid to attend the event. The performance obligation is the delivery of the event. The special event non-exchange component consists of sponsorships and contributions that are received from the event. The non-exchange component is the excess of gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the participant rather than the Organization, are netted against special events revenue in the accompanying statements of activities.

The Organization occasionally receives payments in advance of the date of special events. The payments are initially deferred and are recognized as revenue once the special event takes place.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions and Grants

The Organization records contribution and grant revenue in accordance with FASB ASC 958-605, Not-for-Profit Entities Revenue Recognition. In accordance with ASC 958-605, contributions received, including unconditional promises to give (pledges), are recorded as contributions with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes an unconditional promise to give to the Organization. If an unconditional promise to give is not previously made, then the contribution is recognized when received. Contribution revenue is reported at the fair value of expected future cash flows.

Contributions received, including unconditional promises to give (pledges), are recognized as revenues, in the appropriate category of net assets in the period received. Conditional promises to give are not recognized until the related conditions are substantially met.

In-Kind Contributions

The Organization occasionally receives in-kind contributions, which consist of, but are not limited to donated goods and services. The donated services are recognized if the service creates or enhances long-lived assets or if the service is provided by an individual possessing a specialized skill, which would typically be purchased had it not been provided in-kind. Donated goods and services are recorded at the fair value of the good or service provided. For the years ended December 31, 2024 and 2023, there were no in-kind contributions.

Debt Issuance Costs

The Organization accounts for debt issuance costs in accordance with ASC 835, Simplifying the Presentation of Debt Issuance Costs. ASC 835 requires that debt issuance costs be presented in the accompanying statements of financial position as a reduction from the related note payable. The debt issuance costs are being amortized to interest expense over the term of the loan agreement using the straight-line method which is not materially different from the effective interest method.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis within the accompanying statements of functional expenses. Expenses that could not be specifically traced to a particular function or expenses that benefit more than one functional category are allocated on the basis of estimates. The functional expense allocation is based on management's judgment over the portion of time an employee spends on a specific program or the perceived benefit to the program for which the expense was incurred.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs totaled \$30,467 and \$18,669 for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Organization is described in Section 170(c) of the Internal Revenue Code (the Code) and is exempt from taxation under Section 501 (c)(3) of the Code. ASC 740, Income Taxes, prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return as well as guidance on de-recognition, classification, interest and penalties, and financial statement reporting disclosures. For these benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Organization has not identified any unrecognized tax exposures. The Organization recognizes interest and penalties accrued on any unrecognized tax exposures as a component of income tax expense. The Organization does not have any amounts accrued relating to interest and penalties as of December 31, 2024 and 2023. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Reclassification

Certain amounts may have been reclassified in the accompanying 2023 financial statements to conform to the 2024 presentation.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE D – INVESTMENTS

ASC 820, *Fair Value Measurement*, defines fair value and 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Organization has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• 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. |
| 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 upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Common Stocks, Preferred Securities and Real Estate Investment Trusts: Valued at the closing price reported in the active market in which the individual securities are traded.

Money Market and Mutual Funds: Valued at the closing price reported in the active market in which the funds are offered.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE D – INVESTMENTS – CONTINUED

Fixed Income Securities: Valued utilizing the most recent prices and yields currently available on comparable bonds of issuers with similar credit ratings and comparable maturities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used as of December 31, 2024 and 2023, respectively.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 329,126	\$ -	\$ -	\$ 329,126
Preferred Securities	16,547	-	-	16,547.00
Money Market Funds	70,651	-	-	70,651
Mutual Funds	143,216	-	-	143,216.00
Fixed Income Securities	-	83,538	-	83,538.00
Real Estate Investment Trusts	56,116	-	-	56,116
Investments, at fair value	<u>\$ 615,656</u>	<u>\$ 83,538</u>	<u>\$ -</u>	<u>\$ 699,194</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 224,391	\$ -	\$ -	\$ 224,391
Preferred Securities	15,255	-	-	15,255
Money Market Funds	36,841	-	-	36,841
Mutual Funds	172,637	-	-	172,637
Fixed Income Securities	-	33,801	-	33,801
Real Estate Investment Trusts	<u>\$ 46,602</u>	<u>-</u>	<u>-</u>	<u>46,602</u>
Investments, at fair value	<u>\$ 495,726</u>	<u>\$ 33,801</u>	<u>\$ -</u>	<u>\$ 529,527</u>

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE D – INVESTMENTS – CONTINUED

Cost and fair value of investments consist of the following as of December 31,:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Common Stocks	\$ 169,238	\$ 329,126	\$ 153,308	\$ 224,391
Preferred Securities	16,613	16,547	15,504	15,255
Money Market Funds	70,651	70,651	36,841	36,841
Mutual Funds	129,658	143,216	181,042	172,637
Fixed Income Securities	81,302	83,538	32,713	33,801
Real Estate Investment Trusts	44,767	56,116	42,364	46,602
Total Investments	<u>\$ 512,229</u>	<u>\$ 699,194</u>	<u>\$ 461,772</u>	<u>\$ 529,527</u>

Investment income (loss) consists of the following for the years ended December 31,:

	2024	2023
Interest and dividends	\$ 80,957	\$ 14,340
Realized gain on investments	37,770	5,717
Unrealized gain (loss) on investments	117,327	43,467
Investment management fees	<u>(6,066)</u>	<u>(5,062)</u>
Investment income (loss), net	<u>\$ 229,988</u>	<u>\$ 58,462</u>

NOTE E - PLEDGES RECEIVABLE

Pledges receivable consist of the following as of December 31,:

	2024	2023
Gross pledges receivable	\$ 1,862,980	\$ 206,982
Less: present value discount	<u>(226,638)</u>	<u>(1,294)</u>
Pledges receivable, net	<u>\$ 1,636,342</u>	<u>\$ 205,688</u>

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE E - PLEDGES RECEIVABLE - CONTINUED

Pledges receivable are expected to be received as follows as of December 31,:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 386,890	\$ 176,982
One to five years	<u>1,476,090</u>	<u>30,000</u>
Gross pledges receivable	<u>\$ 1,862,980</u>	<u>\$ 206,982</u>

Pledges receivable due in more than one year are recorded at the present value of future cash flows. The Organization uses the U.S. Treasury Bill rates to discount pledges receivable due in more than one year, which ranged from 4.23% to 4.79% for the years ended December 31, 2024 and ended December 31, 2023. As of December 31, 2024, three donors accounted for approximately 80% of gross pledges receivable. As of December 31, 2023, two donors accounted for approximately 60% of gross pledges receivable.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31,:

	<u>2024</u>	<u>2023</u>
Buildings	\$ 2,691,144	\$ 2,552,103
Computer Equipment	120,869	120,869
Furniture and Fixtures	61,802	49,494
Vehicles	<u>23,246</u>	<u>23,246</u>
Less: Accumulated Depreciation	<u>(540,671)</u>	<u>(457,623)</u>
Property and equipment, net	<u>\$ 2,356,390</u>	<u>\$ 2,288,089</u>

Depreciation expense totaled \$83,556 and \$139,070 for the years ended December 31, 2024 and 2023, respectively.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE G - NOTE PAYABLE

During 2024, the Organization amended and restated its existing note payable with a bank. The amended note payable accrues interest at 6.74% and requires monthly payments of principal and interest of \$8,033 through maturity on August 31, 2036, when all outstanding principal and interest become due. The loan is collateralized by substantially all assets of the Organization and required the Organization to pledge investment securities. The bank has the option to call the loan on August 31, 2027, and if not elected, again on August 31, 2030, and 2033. The call options require the bank to provide the Organization notice of their intent to call the loan at least 60 days prior to the applicable call date.

Future maturities under the note payable are as follows during the years ended December 31,:

2025	\$ 97,327
2026	51,804
2027	55,457
2028	59,256
2029	63,546
Thereafter	<u>446,039</u>
Total	773,429
Less: Unamortized debt issuance costs	<u>(4,481)</u>
Note payable, net of debt issuance costs	<u>\$ 768,948</u>

The Organization also maintains a \$200,000 line of credit with a bank. Outstanding borrowings shall bear interest at the Prime Rate plus 1%. The line is cross collateralized with the Organization's note payable. There were no borrowings on the line during 2024 and at December 31, 2024, there were no amounts outstanding under the line.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes as of December 31,:

	<u>2024</u>	<u>2023</u>
Capital Campaign	\$ 1,636,442	\$ 150,206
Patient Navigation	37,545	68,105
Scholarships	1,603	28,103
Shearer Fund	69,751	69,751
UCF House	43,866	-
Other	<u>-</u>	<u>168,664</u>
Total	<u>\$ 1,789,207</u>	<u>\$ 484,829</u>

During the years ended December 31, 2024 and 2023, net assets totaling \$593,997 and \$244,916, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes, passage of time, or by occurrence of other events specified by donors such as special events or capital events.

NOTE I - RETIREMENT PLAN

The Organization maintains a defined contribution retirement plan for eligible employees. Employees who elect to contribute a percentage of their compensation to the plan will receive a matching contribution up to 3% of their annual compensation. For the years ended December 31, 2024 and 2023, employer matching contributions totaled \$27,990 and \$29,626, respectively.

NOTE J - EMPLOYEE RETENTION CREDIT

The employee retention credit (ERC) is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the CARES Act and further amended by the Consolidated Appropriations Act and the American Rescue Plan. The Organization filed applicable Forms 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund, to receive amounts to which the Organization believes it is entitled to under the ERC. Balances receivable under the ERC totaled \$4,527 as of December 31, 2024 and \$292,335 as of December 31, 2023 and are included in other receivables - net on the accompanying statements of financial position. Subsequent to year-end, the Organization has received all of the remaining outstanding ERC.

ULMAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE K - LIQUIDITY AND AVAILABILITY OF FUNDS

The Organization's financial assets available to meet cash needs for general expenditures within one year are as follows as of December 31,:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 584,809	\$ 576,785
Investments	699,194	529,527
Pledges receivable, net	1,636,342	205,688
Other receivables, net	<u>154,686</u>	<u>444,551</u>
Total Financial Assets	3,075,031	1,756,551
Less: Donor-imposed restrictions:		
Restricted by purpose	(152,765)	(334,623)
Restricted by time	(1,636,442)	(150,206)
Less: Board designated net assets	<u>(699,194)</u>	<u>(529,527)</u>
Financial assets able to meet cash needs for general expenditures within one year	<u>\$ 586,630</u>	<u>\$ 742,195</u>

As part of the liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. Additionally, the Organization has board designated funds that the Organization could use for operations upon approval of the Board. To help manage unanticipated liquidity constraints, the Organization has a spending policy for its investment portfolio. The Organization's spending policy is to draw a fixed percentage, typically between 0% and 4.5%, of the investment portfolio's market value. During the years ended December 31, 2024 and 2023, the Organization did not make any withdrawals from its investment portfolio.