

**United Palestinian Appeal, Inc.**

Financial Statements  
and Independent Auditor's Report

December 31, 2025 and 2024

**United Palestinian Appeal, Inc.**

Financial Statements  
December 31, 2025 and 2024

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
United Palestinian Appeal, Inc.

### ***Opinion***

We have audited the accompanying financial statements of United Palestinian Appeal, Inc. (UPA), which comprise the statement of financial position as of December 31, 2025; 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 financial statements referred to above present fairly, in all material respects, the financial position of UPA as of December 31, 2025, 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 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 UPA 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.

### ***Other Matter***

The financial statements of UPA as of December 31, 2024, were audited by other auditors whose report, dated August 14, 2025, 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 UPA's ability 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 UPA'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 UPA'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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

McLean, Virginia  
June 2, 2026

## United Palestinian Appeal, Inc.

### Statements of Financial Position December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 7,595,113	\$ 7,786,896
Investments	9,983,495	7,143,106
Contributions receivable	909,337	301,826
Property and equipment, net	607,864	616,539
Agency custodial accounts	-	38,500
Prepaid expenses	109,555	48,623
Other receivable	116,021	19,013
	<u>19,321,385</u>	<u>15,954,503</u>
Total assets	<u>\$ 19,321,385</u>	<u>\$ 15,954,503</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 191,292	\$ 286,657
Agency custodial accounts	-	38,500
Grants payable	2,173,395	1,957,149
Refundable advances	3,306,923	2,795,126
	<u>5,671,610</u>	<u>5,077,432</u>
Total liabilities	<u>5,671,610</u>	<u>5,077,432</u>
<b>Net Assets</b>		
Without donor restrictions	<u>13,649,775</u>	<u>10,877,071</u>
Total net assets	<u>13,649,775</u>	<u>10,877,071</u>
Total liabilities and net assets	<u>\$ 19,321,385</u>	<u>\$ 15,954,503</u>

See accompanying notes.

## United Palestinian Appeal, Inc.

### Statements of Activities For the Years Ended December 31, 2025 and 2024

	2025	2024
<b>Revenue and Support</b>		
Contributions	\$ 19,673,958	\$ 17,542,859
Stock donations	264,291	166,260
In-kind contributions	94,095,199	102,939,164
Investment return, net	822,147	482,938
Other income	3,291	50,952
Loss on disposal of assets	-	(2,559)
	114,858,886	121,179,614
<b>Expenses</b>		
Program services:		
Health and wellness	107,653,772	114,868,848
Community and economic development	1,749,281	139,638
Outreach and public education	389,559	335,060
Education	433,143	37,615
	110,225,755	115,381,161
Total program services		
Supporting services:		
Fundraising	576,557	715,057
Management and general	1,283,870	1,083,004
	1,860,427	1,798,061
Total supporting services		
Total expenses	112,086,182	117,179,222
<b>Change in Net Assets</b>	2,772,704	4,000,392
<b>Net Assets, beginning of year</b>	10,877,071	6,876,679
<b>Net Assets, end of year</b>	\$ 13,649,775	\$ 10,877,071

*See accompanying notes.*

**United Palestinian Appeal, Inc.**

Statement of Functional Expenses  
For the Year Ended December 31, 2025

	Program Services					Supporting Services			Total Expenses
	Health and Wellness	Community and Economic Development	Outreach and Public Education	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries	\$ 310,740	\$ 167,764	\$ 183,367	\$ 47,480	\$ 709,351	\$ 299,831	\$ 704,058	\$ 1,003,889	\$ 1,713,240
Employee benefits	18,479	9,976	10,904	2,824	42,183	17,830	41,868	59,698	101,881
Payroll taxes	15,989	8,632	9,435	2,443	36,499	15,427	36,226	51,653	88,152
Contractors	211,646	-	-	-	211,646	-	64,065	64,065	275,711
Grants to others	1,005,485	1,298,801	41,787	90,437	2,436,510	3,500	-	3,500	2,440,010
Project grants and expenses	11,808,394	214,847	67,643	261,207	12,352,091	68,836	19,077	87,913	12,440,004
In-kind grants	94,095,199	-	-	-	94,095,199	-	-	-	94,095,199
Travel	16,883	4,038	13,952	3,879	38,752	22,863	27,725	50,588	89,340
Occupancy	37,486	15,574	-	15,574	68,634	-	55,516	55,516	124,150
Telephone	2,000	2,000	-	2,000	6,000	-	14,321	14,321	20,321
Postage and shipping	24,408	-	-	-	24,408	20,485	-	20,485	44,893
Printing and advertising	10,599	2,345	31,175	-	44,119	-	43,152	43,152	87,271
Conferences and meetings	2,680	-	8,900	-	11,580	-	4,312	4,312	15,892
Office and miscellaneous	50,581	1,500	-	1,500	53,581	-	33,881	33,881	87,462
Professional fees	5,250	-	-	-	5,250	-	93,648	93,648	98,898
Accounting services	-	-	-	-	-	-	35,633	35,633	35,633
Website and consultant	-	3,314	-	-	3,314	91,164	24,392	115,556	118,870
Bank charges and donation processing fees	4,384	2,367	2,587	670	10,008	4,230	9,937	14,167	24,175
Insurance	27,064	14,611	15,970	4,135	61,780	26,114	61,320	87,434	149,214
Depreciation and amortization	6,505	3,512	3,839	994	14,850	6,277	14,739	21,016	35,866
<b>Total Expenses</b>	<b>\$ 107,653,772</b>	<b>\$ 1,749,281</b>	<b>\$ 389,559</b>	<b>\$ 433,143</b>	<b>\$ 110,225,755</b>	<b>\$ 576,557</b>	<b>\$ 1,283,870</b>	<b>\$ 1,860,427</b>	<b>\$ 112,086,182</b>

See accompanying notes.

**United Palestinian Appeal, Inc.**

Statement of Functional Expenses  
For the Year Ended December 31, 2024

	Program Services					Supporting Services			Total Expenses
	Health and Wellness	Community and Economic Development	Outreach and Public Education	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries	\$ 160,912	\$ 71,563	\$ 111,322	\$ 27,453	\$ 371,250	\$ 494,891	\$ 487,504	\$ 982,395	\$ 1,353,645
Employee benefits	24,069	10,704	16,652	4,106	55,531	74,026	72,921	146,947	202,478
Payroll taxes	7,226	3,214	4,999	1,233	16,672	22,225	21,893	44,118	60,790
Contractors	69,609	41,585	27,329	-	138,523	30,584	66	30,650	169,173
Grants to others	4,444,340	-	-	-	4,444,340	-	-	-	4,444,340
Project grants and expenses	6,957,055	-	-	-	6,957,055	-	-	-	6,957,055
In-kind grants	102,939,164	-	-	-	102,939,164	-	-	-	102,939,164
Travel	-	-	-	-	-	-	60,476	60,476	60,476
Occupancy	13,151	5,849	9,098	2,244	30,342	40,446	39,841	80,287	110,629
Telephone	2,181	970	1,509	372	5,032	6,707	6,607	13,314	18,346
Postage and shipping	232,264	-	98,775	-	331,039	-	-	-	331,039
Printing and advertising	-	-	56,426	-	56,426	-	-	-	56,426
Conferences and meetings	5,939	-	-	-	5,939	6,387	-	6,387	12,326
Office and miscellaneous	9,469	4,211	6,551	1,615	21,846	29,123	40,775	69,898	91,744
Professional fees	-	-	-	-	-	-	33,572	33,572	33,572
Accounting services	-	-	-	-	-	-	60,722	60,722	60,722
Website and consultant	-	-	-	-	-	-	27,965	27,965	27,965
Bank charges and donation processing fees	-	-	-	-	-	-	211,576	211,576	211,576
Insurance	-	-	-	-	-	-	8,577	8,577	8,577
Depreciation and amortization	3,469	1,542	2,399	592	8,002	10,668	10,509	21,177	29,179
<b>Total Expenses</b>	<b>\$ 114,868,848</b>	<b>\$ 139,638</b>	<b>\$ 335,060</b>	<b>\$ 37,615</b>	<b>\$ 115,381,161</b>	<b>\$ 715,057</b>	<b>\$ 1,083,004</b>	<b>\$ 1,798,061</b>	<b>\$ 117,179,222</b>

**United Palestinian Appeal, Inc.**

Statements of Cash Flows  
For the Years Ended December 31, 2025 and 2024

	2025	2024
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 2,772,704	\$ 4,000,392
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	35,866	29,179
Loss on disposal of property and equipment	-	2,559
Net realized and unrealized gain on investments	(505,230)	(288,298)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(607,511)	207,111
Prepaid expenses	(60,932)	16,594
Other receivable	(97,008)	(16,994)
(Decrease) increase in:		
Accounts payable and accrued expenses	(95,365)	61,507
Grants payable	216,246	1,957,149
Refundable advances	511,797	1,602,850
Net cash provided by operating activities	2,170,567	7,572,049
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(27,191)	(78,765)
Proceeds from sales of investments	2,206,938	6,019
Purchase of investments	(4,542,097)	(2,743,907)
Net cash used in investing activities	(2,362,350)	(2,816,653)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(191,783)	4,755,396
<b>Cash and Cash Equivalents, beginning of year</b>	7,786,896	3,031,500
<b>Cash and Cash Equivalents, end of year</b>	\$ 7,595,113	\$ 7,786,896

*See accompanying notes.*

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 1. Nature of Operations

United Palestinian Appeal, Inc. (UPA) is a not-for-profit organization that was established in the state of New York in 1978. UPA empowers Palestinians to improve their lives and communities through socially responsible and sustainable programs in health, education, and community and economic development.

UPA is supported primarily through contributions from the public and in-kind donations from major corporations.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

UPA's financial statements are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America (GAAP). Net assets are reported based on the presence or absence of donor-imposed restrictions 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 perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

#### Cash and Cash Equivalents

For the purpose of the statements of cash flows, UPA considers as cash equivalents all highly liquid investments, including money market funds not held for long-term investment purposes, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition of cash equivalents are amounts held for investment.

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 2. Summary of Significant Accounting Policies (continued)

#### Investments

Investments are recorded at fair value based on quoted market prices. All realized and unrealized gains and losses are reported as a component of net investment return in the accompanying statements of activities.

#### Contributions Receivable

Contributions receivable represent unconditional amounts committed to UPA. All amounts are expected to be received within one year and are recorded at their face amount, which is estimated to approximate fair value. UPA periodically reviews an aging of its contributions receivable for collection purposes on a case-by-case basis and writes off uncollectable items. UPA's policy is to charge-off uncollectible accounts when management determines the receivable will not be collected. Management believes that all contributions receivable are collectible at December 31, 2025 and 2024, and accordingly, no allowance for uncollectible accounts has been established.

#### Property and Equipment

Property and equipment acquisitions with a cost greater than \$500 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets, which is three years for the website, seven years for furniture and equipment, and 39 years for the condominium unit. Expenditures for repairs and maintenance costs are expensed when incurred.

#### Valuation of Long-Lived Assets

UPA reviews the valuation of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of a long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. Management determined there were no impairment losses to be recognized during the years ended December 31, 2025 and 2024.

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition

##### *Revenue Accounted for in Accordance with Contribution Accounting*

Unconditional contributions are recognized when received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized until the conditions on which they depend have been met. Amounts received prior to satisfaction of contribution conditions are reported as refundable advances in the statements of financial position. The opening balance in refundable advances at January 1, 2024 was \$1,192,276. UPA reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of UPA's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose 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.

#### In-Kind Contributions

In-kind contributions are recorded at their estimated fair value as of the date of the donation. It is UPA's policy to utilize in-kind contributions to benefit program services.

#### Advertising Expenses

UPA expenses advertising costs as incurred. Advertising expenses totaled \$25,623 and \$13,525 for the years ended December 31, 2025 and 2024, respectively.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the accompanying 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 benefited. See Note 10.

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 2. Summary of Significant Accounting Policies (continued)

#### Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation. These reclassifications have no effect on the change in net assets previously reported.

#### Subsequent Events

In preparing these financial statements, UPA has evaluated events and transactions for potential recognition or disclosure through June 2, 2026, the date the financial statements were available to be issued.

### 3. Liquidity and Availability

Financial assets available for general expenditures, as well as cash outflows related to other current liabilities, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 7,595,113	\$ 7,786,896
Investments	9,983,495	7,143,106
Contributions receivable	909,337	301,826
Other receivable	<u>116,021</u>	<u>19,013</u>
Total financial assets	18,603,966	15,250,841
Less: refundable advances	<u>(3,306,923)</u>	<u>(2,795,126)</u>
Total available for general expenditures and cash outflows related to other current liabilities	<u>\$ 15,297,043</u>	<u>\$ 12,455,715</u>

UPA strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of this liquidity management, UPA invests cash and cash equivalents in excess of its current responsibilities in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal.

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 4. Concentrations of Risks

#### Credit Risk

Financial instruments that potentially subject UPA to significant concentrations of credit risk consist of cash and cash equivalents, and investments. UPA maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). UPA has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

#### Revenue Risk

For both years ended December 31, 2025 and 2024, 81% of UPA's revenue and support was provided by one donor.

### 5. Investments and Fair Value Measurements

Investments consist of the following at December 31:

	2025	2024
Cash and cash equivalents	\$ 16,256	\$ 55,719
Money market funds	3,933,813	1,823,883
Mutual funds	3,844,009	4,439,170
Stocks and exchange-traded funds	1,588,710	664,810
Fixed income securities	600,707	159,524
Total investments	<u>\$ 9,983,495</u>	<u>\$ 7,143,106</u>

UPA follows Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 5. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. UPA recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, UPA uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. The following table presents UPA's fair value hierarchy for those investments measured on a recurring basis at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 16,256	\$ -	\$ -	\$ 16,256
Money market funds	3,933,813	-	-	3,933,813
Mutual funds	3,844,009	-	-	3,844,009
Stocks and exchange-traded funds	1,588,710	-	-	1,588,710
Fixed income securities	-	600,707	-	600,707
Total investments	\$ 9,382,788	\$ 600,707	\$ -	\$ 9,983,495

The following table presents UPA's fair value hierarchy for those investments measured on a recurring basis at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 55,719	\$ -	\$ -	\$ 55,719
Money market funds	1,823,883	-	-	1,823,883
Mutual funds	4,439,170	-	-	4,439,170
Stocks and exchange-traded funds	664,810	-	-	664,810
Fixed income securities	-	159,524	-	159,524
Total investments	\$ 6,983,582	\$ 159,524	\$ -	\$ 7,143,106

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 5. Investments and Fair Value Measurements (continued)

Net investment return consists of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 349,976	\$ 220,602
Realized and unrealized gain	505,230	288,298
Less: investment fees	<u>(33,059)</u>	<u>(25,962)</u>
Total investment return, net	<u>\$ 822,147</u>	<u>\$ 482,938</u>

### 6. Property and Equipment

The following is a summary of property and equipment held at December 31:

	<u>2025</u>	<u>2024</u>
Office condominium	\$ 443,862	\$ 443,862
Condominium improvements	62,941	62,941
Furniture and fixtures	123,694	120,694
Equipment and computers	51,207	27,016
Website	8,264	8,264
Land and parking spaces	<u>273,476</u>	<u>273,476</u>
Total property and equipment	963,444	936,253
Less: accumulated depreciation and amortization	<u>(355,580)</u>	<u>(319,714)</u>
Property and equipment, net	<u>\$ 607,864</u>	<u>\$ 616,539</u>

### 7. In-Kind Contributions

UPA receives in-kind contributions in the form of pharmaceuticals and medical supplies, which are distributed to organizations in the West Bank, Gaza, and to refugee camps in Jordan and Lebanon. UPA determines the fair value of these in-kind contributions using the Wholesale Acquisition Cost market in the United States. For in-kind contributions with no Wholesale Acquisition Cost, the commercially available market for international humanitarian relief was used for valuation. In-kind contributions are expensed in the health and welfare program as in-kind grants in the accompanying financial statements.

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
December 31, 2025 and 2024

### 8. Contribution from Foundation

UPA is a beneficiary of a nondiscretionary irrevocable foundation registered in the Principality of Liechtenstein whereby the net income of the foundation's assets is distributed annually and perpetually. UPA has not been able to obtain the value of the investments held by the foundation and, accordingly, no interest in the perpetual trust is reflected in the accompanying financial statements.

### 9. Line of Credit

UPA has a line of credit with its financial institution. The line of credit is secured by the investments of UPA. The amount available for draws on the line of credit is based on the balance of the investments held by UPA at the financial institution and bears interest at 0.50% under the prime rate (6.75% and 7.00% at December 31, 2025 and 2024, respectively.) There were no draws on the line of credit for the years ending December 31, 2025 and 2024.

### 10. Functionalized Expenses

The costs of providing the program and supporting services 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. UPA charges expenses directly incurred for a specific function to the appropriate program or supporting service category. Indirect costs are allocated among program or supporting services on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, payroll taxes, occupancy, telephone, depreciation and amortization, office, and miscellaneous expenses. The program and supporting services of UPA are as follows:

*Health and Wellness:* All expenses incurred for health projects including mobile clinics, primary care clinics, emergency food distribution, medical visits, pharmaceuticals, and trauma counseling for Palestinians in the West Bank, Gaza, and refugee camps in the Arab countries. Expenses incurred also include projects that directly benefit handicapped, orphaned, or extremely deprived children through programs conducted by UPA's partners.

*Community and Economic Development:* All expenses incurred to rebuild and rehabilitate Palestinian community infrastructures as well as environmental and agricultural projects, and implement micro-finance, micro-enterprise, and other projects that stimulate employment.

## United Palestinian Appeal, Inc.

Notes to Financial Statements  
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### 10. Functionalized Expenses (continued)

*Outreach and Public Education:* All expenses incurred to educate the general public and raise awareness about Palestinian history, language, and culture.

*Education:* Financial assistance in the form of university scholarships, work study opportunities and fellowships, and vocational training provided to needy Palestinian students who are living in or intend to return to Palestine.

*Fundraising:* All expenses incurred with the purpose of raising funds.

*Management and General:* All other operating expenses incurred by UPA in the accomplishment of its tax-exempt purposes.

### 11. Retirement Plan

UPA maintains a 401(k) plan for all employees over the age of 21 with one year of service. UPA matches participant contributions equal to 100% of the participant's elective deferrals up to 3% of the participant's compensation, plus 50% of employee contributions that exceed 3% of compensation but not to exceed 5% of compensation. UPA contributed \$20,106 and \$16,755 to the plan during the years ended December 31, 2025 and 2024, respectively.

### 12. Income Taxes

UPA is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from income taxes except for taxes on unrelated business activities. No provision for income taxes has been made as there were no net unrelated business activities during the years ended December 31, 2025 and 2024.

IRC contributions to UPA are deductible as provided in IRC Section 170(b)(1)(A)(vi), and UPA has been determined to not be a private foundation. Management has evaluated UPA's tax positions and concluded that there are no uncertain tax positions that qualify for either recognition or disclosure in the accompanying financial statements.