

**Vanguard Charitable Endowment Program**

**Financial Statements**

**For the Years Ended  
June 30, 2021 and 2020**



## Report of Independent Auditors

To the Board of Trustees of Vanguard Charitable Endowment Program

We have audited the accompanying financial statements of Vanguard Charitable Endowment Program (the "Company"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and of cash flows for the years then ended.

### ***Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vanguard Charitable Endowment Program as of June 30, 2021 and 2020, 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.

PRICEWATERHOUSECOOPERS LLP

October 7, 2021

**Vanguard Charitable Endowment Program**  
**Statements of Financial Position**

	<b>As of June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 38,905,812	\$ 26,363,829
Investments; at market value	15,119,716,754	10,776,853,539
Contributed assets held; at market value*	414,769,193	9,185,908
Dividends receivable	4,220,283	4,408,602
Receivable for securities sold	33,155,000	17,748,429
Earnout receivable	501,000,000	-
Other assets	4,302,551	2,883,943
	<b>\$ 16,116,069,593</b>	<b>\$ 10,837,444,250</b>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 22,426,886	\$ 15,409,837
Payable for securities purchased	48,135,448	19,015,841
	<b>70,562,334</b>	<b>34,425,678</b>
Net Assets Without Donor Restrictions	16,045,507,259	10,803,018,572
	<b>\$ 16,116,069,593</b>	<b>\$ 10,837,444,250</b>

\*This asset name has been updated as of 6/30/2021 and was presented as "Investments held for sale" at 6/30/2020.

The accompanying notes are an integral part of these financial statements.

**Vanguard Charitable Endowment Program**  
**Statements of Activities**

	<b>For the Years Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Donor contributions	\$ 4,254,463,026	\$ 2,088,348,628
Investment income	212,498,178	229,747,393
Net realized and unrealized gains on investments	2,647,169,137	202,508,604
Contribution of goods and services	1,269,078	1,309,554
<b>Total Revenues</b>	<b>7,115,399,419</b>	<b>2,521,914,179</b>
<b>Grants and Expenses</b>		
Grants to charitable organizations	1,845,626,381	1,709,260,600
Management and general expenses	4,770,740	3,867,574
Program expenses	19,829,396	14,610,609
Fundraising expenses	2,684,215	2,265,220
<b>Total Grants and Expenses</b>	<b>1,872,910,732</b>	<b>1,730,004,003</b>
Increase in Net Assets Without Donor Restrictions	5,242,488,687	791,910,176
Net Assets Without Donor Restrictions, beginning of year	10,803,018,572	10,011,108,396
<b>Net Assets Without Donor Restrictions, end of year</b>	<b><u>\$ 16,045,507,259</u></b>	<b><u>\$ 10,803,018,572</u></b>

The accompanying notes are an integral part of these financial statements.

**Vanguard Charitable Endowment Program**  
**Statements of Cash Flows**

	<b>For the Years Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 5,242,488,687	\$ 791,910,176
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Non-cash contributions	(1,084,524,929)	(104,548,997)
(Increase) decrease in other assets	(1,418,608)	226,591
Decrease in dividends receivable	188,319	2,187,234
Increase (decrease) in accounts payable and accrued expenses	7,017,049	(3,125,645)
Depreciation and amortization	-	137,011
Net realized and unrealized gains on investments	(2,647,169,137)	(202,508,604)
Net cash provided by operating activities	<u>1,516,581,381</u>	<u>484,277,766</u>
<b>Cash flows from investing activities:</b>		
Proceeds from the sale of non-cash contributions	191,153,686	95,363,089
Proceeds from the sale of investments	1,815,107,855	1,683,302,205
Purchases of investments	(3,524,013,975)	(2,280,404,626)
Increase in payable for securities purchased	29,119,607	4,458,947
Increase in receivable for securities sold	(15,406,571)	(7,521,955)
Net cash used in investing activities	<u>(1,504,039,398)</u>	<u>(504,802,340)</u>
Net Increase in cash and cash equivalents	12,541,983	(20,524,574)
Cash and cash equivalents, beginning of year	26,363,829	46,888,403
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 38,905,812</b></u>	<u><b>\$ 26,363,829</b></u>

The accompanying notes are an integral part of these financial statements.

## Vanguard Charitable Endowment Program Notes to Financial Statements

### **Note 1 - Organization and Operations:**

The Vanguard Charitable Endowment Program ("Vanguard Charitable") is an independent charitable organization that is organized and operated for the purpose of supporting and increasing philanthropy. Vanguard Charitable is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under Section 509(a)(1) of the Internal Revenue Code.

Donors to Vanguard Charitable may contribute to its donor-advised fund, Vanguard Charitable's Philanthropic Impact Fund or the Sustainable Disaster-Recovery Fund. All gifts are irrevocable and unconditional and therefore become the exclusive property of Vanguard Charitable. Through the donor-advised fund, assets are invested in a choice of twenty-one investment pools ("Pools"). Nineteen pools are comprised of mutual funds and exchange traded funds offered by The Vanguard Group, Inc. ("Vanguard"), a related party, one pool is comprised of a mutual fund offered by The Investment Fund for Foundations ("TIFF"), and one pool is comprised of units in a portfolio of securities managed by Rhumbline Advisers LP ("Rhumbline"). The composition of the Pools is determined by the Board of Trustees of Vanguard Charitable ("Trustees"). Vanguard Charitable has granted donors the privilege of making recommendations to Vanguard Charitable about the investment allocation and grant distributions from their donor-advised accounts; however, all such recommendations are subject to review and approval by Vanguard Charitable.

Vanguard Charitable provides grants to organizations that operate in seven broad areas: health and human services; culture, religion, arts, and the humanities; children, youth, and families; civic and community affairs; social welfare; the environment and wildlife; and educational and scientific research.

Vanguard Charitable contributes to a defined contribution plan for its employees. Contribution expense for the years ended June 30, 2021 and 2020 was \$857,944 and \$666,055, respectively. These amounts are included in the three functional expense categories (Management, Fundraising and Program) on the Statements of Activities. See "Functional Allocation of Expenses" in Note 2 for details of allocation.

### **Related Party Transactions**

Vanguard Charitable has contracted Vanguard to provide certain support services including investment recordkeeping and administrative services. Vanguard provides such services in exchange for a fee. The fees incurred for the years ended June 30, 2021 and 2020 were \$2,687,932 and \$2,428,209 respectively. These fees are included in the three functional expense categories (Management, Fundraising and Program) on the Statements of Activities. See "Functional Allocation of Expenses" in Note 2 for details of allocation.

In-kind contributions of professional services received from Vanguard for the years ended June 30, 2021 and 2020 were \$1,269,078 and \$1,309,554 respectively. These amounts are included in Contribution of Goods and Services on the Statement of Activities.

Vanguard has provided Vanguard Charitable funding in the form of a non-interest bearing financing arrangement. See Note 6.

Vanguard Charitable invests in units of RhumbLine Low Carbon Index Fund LLC ("Low Carbon Fund"), a custom global equity investment partnership established on November 2, 2020. The Low Carbon Fund is designed to contribute to climate change mitigation and adaptation efforts whilst reducing climate change related investment risks. Vanguard Charitable owns a majority interest in the Low Carbon Fund, and RhumbLine Advisers LP ("RhumbLine") serves as Managing Member and Investment Manager for the Low Carbon Fund. For the year ended June 30, 2021, Vanguard Charitable's purchases into the Low Carbon Fund were \$737,987,228 and Vanguard Charitable's interest in the Low Carbon Fund generated net income of \$148,137,220.

## Vanguard Charitable Endowment Program Notes to Financial Statements

### Note 2 - Summary of Significant Accounting Policies:

#### Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

#### 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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates and such differences could be material.

#### Functional Allocation of Expenses

Vanguard Charitable allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural classification. Costs that are common to several functions are allocated among the program and supporting services based on time records, head count, and estimates made by management.

#### Cash and Cash Equivalents

Vanguard Charitable considers short-term, highly liquid investments with a maturity of three months or less at the time of their purchase to be cash equivalents. Cash equivalents are stated at cost, which approximates fair market value.

#### Investments

Transactions in the underlying mutual funds, exchange traded funds, and units (“Funds”) of the Pools are accounted for on the trade date. The cost used in determining realized gains and losses on sales of the Funds’ shares is on the basis of specific identification. Vanguard Charitable’s investment in each mutual fund and exchange traded fund is valued at each fund’s net asset value as of the close of the New York Stock Exchange (generally 4 p.m., Eastern Standard Time) on the valuation date.

Low Carbon Fund units are valued by dividing the aggregate net asset value of the fund by the number of units outstanding as of the close of the New York Stock Exchange (generally 4 p.m., Eastern Standard Time) on the valuation date.

Vanguard Charitable holds contributed private equity investments which are described as “Contributed Assets Held” in Note 4. These private equity investments are valued using the Cost Approach (net underlying assets).

Vanguard Charitable is entitled to payments under an earnout agreement described as “Earnout Receivable” in Note 5. The earnout receivable is presented at fair value using the discounted cash flows method.

Authoritative guidance on fair value measurements and disclosure under GAAP requires that the fair value of investments be presented in a hierarchy that prioritizes the inputs to valuation technique used to measure fair value. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value investments are not necessarily an indication of the risk associated with investing in those investments.

## Vanguard Charitable Endowment Program Notes to Financial Statements

### Note 2 - Summary of Significant Accounting Policies (continued):

Level 1 – Quoted prices in active markets for identical investments as of the reporting date.

Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) as of the reporting date. In accordance with authoritative guidance, the fair value of investments that permit redemptions quarterly or more frequently are generally classified as Level 2.

Level 3 – Significant unobservable inputs. Generally, investments with unexpired lock-up periods or that permit redemptions less frequently than quarterly, are classified as Level 3.

#### Computer Equipment and Related Software

Computer equipment is recorded at cost at date of acquisition and software is recorded at cost at in-service date. Equipment and related software costs for the years ended June 30, 2021 and 2020 were \$0. For items placed in service, depreciation expense is computed using the straight-line method over the asset's estimated three year useful life. Depreciation expense on computer equipment and software for the years ended June 30, 2021 and 2020 was \$0 and \$137,011 respectively and is included in Program expenses in the Statement of Activities.

#### Donor Contributions

All gifts are subject to acceptance by Vanguard Charitable. Contribution revenue is recorded when Vanguard Charitable accepts an 'in good order' unconditional promise to give from a donor.

#### Grants

Grants are recorded as an expense and must be authorized by the Trustees and Vanguard Charitable management under methods approved by the Trustees for payment.

#### Net Assets Without Donor Restrictions

Vanguard Charitable's net assets without donor restrictions, including the donor-advised fund, the Philanthropic Impact Fund, and the Sustainable Disaster-Recovery Fund, are unrestricted and as such are free from donor-imposed stipulations. Revenues are reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, respectively. Net assets without donor restrictions are maintained and distributed at the discretion of the Trustees.

### Note 3 - Investments:

Contributions to Vanguard Charitable are allocated to Pools based on input from donors or the Trustees, including:

- **Money Market Pool** seeks to provide income while maintaining liquidity and a stable share price, primarily through exposure to U.S. government agency obligations.
- **Short-Term Bond Pool** seeks current income with limited price volatility and provides exposure to short-term, investment grade fixed income securities.
- **Conservative Growth Pool** seeks to provide current income and low to moderate capital appreciation through a target allocation of 60% bond funds and 40% stock funds.
- **Total Bond Pool** seeks to provide broad exposure to the investment-grade U.S. bond market.



## Vanguard Charitable Endowment Program Notes to Financial Statements

### Note 3 – Investments (continued):

- **Moderate Growth Pool** seeks to provide growth of capital and a reasonable level of current income through a target allocation of roughly 60-65% stock and 35-40% bonds.
- **Total U.S. Stock Pool** seeks to provide exposure to large-, mid-, and small-cap equities diversified across growth and value styles.
- **Growth Pool** seeks to provide capital appreciation and some current income through a target allocation of 80% stocks and 20% bonds.
- **Total Equity Pool** seeks to provide growth of capital through a 100% allocation to U.S. and international stocks.
- **Total International Stock Pool** seeks to provide broad exposure across developed and emerging non-U.S. equity markets.
- **European Stock Pool** targets European common stocks and is diversified across developed markets.
- **Pacific Stock Pool** targets Pacific-region common stocks.
- **Emerging Markets Stock Pool** targets emerging markets common stocks.
- **Income Pool** seeks to provide current income and some capital appreciation through a target allocation of 20% stocks and 80% bonds.
- **Total International Bond Pool** seeks to provide a diversified portfolio of U.S. dollar hedged, high-quality international bonds.
- **Balanced Pool** seeks capital appreciation, current income, and long-term growth of income.
- **Wellington Pool** seeks long-term capital appreciation and reasonable current income, with moderate risk.
- **ESG U.S. Stock Pool** seeks to track the performance of a benchmark index that measures the investment return of large-, mid-, and small-capitalization stocks of U.S. companies, while adhering to certain environmental, social, and corporate governance criteria.
- **ESG International Stock Pool** seeks to track the performance of a benchmark index that measures the investment return of large-, mid-, and small-capitalization companies located in developed and emerging markets outside of the United States, while adhering to certain environmental, social, and corporate governance criteria.
- **ESG Global Stock Pool** seeks to provide exposure to U.S. and International stocks screened for certain environmental, social, and corporate governance criteria through a targeted, professionally rebalanced allocation of 70% U.S. and 30% International equity.
- **Multi-Asset Pool** seeks to produce a total return that, over a majority of market cycles, exceeds inflation plus 5% per annum through exposure to a mutual fund which invests in a globally diversified portfolio of equity oriented, diversifying strategies (hedge fund and others), and fixed income securities.
- **Low Carbon Fund** seeks to provide exposure to U.S. and International stocks for companies which generate below-median carbon emissions within their respective sector.

**Vanguard Charitable Endowment Program  
Notes to Financial Statements**

**Note 3 – Investments (continued):**

<u>Total Investments</u>	<u>As of June 30,</u>	
	<u>2021</u>	<u>2020</u>
<b><u>The Vanguard Group Inc.</u></b>		
Money Market Pool	\$ 1,471,570,781	\$ 1,246,161,472
Short-Term Bond Pool	627,630,783	589,595,336
Conservative Growth Pool	1,518,930,623	571,729,687
Total Bond Pool	528,296,009	568,799,451
Moderate Growth Pool	2,009,342,292	1,437,227,899
Total U.S. Stock Pool	2,706,880,860	1,566,143,282
Growth Pool	1,470,641,315	1,495,007,248
Total Equity Pool	1,670,827,907	1,281,010,500
Total International Stock Pool	626,971,649	433,821,884
European Stock Pool	69,135,474	50,897,296
Pacific Stock Pool	36,614,389	23,854,356
Emerging Markets Stock Pool	196,094,004	132,289,695
Income Pool	544,725,076	516,043,490
Total International Bond Pool	29,233,703	24,867,635
Balanced Pool	106,824,982	59,013,672
Wellington Pool	123,281,363	88,406,072
ESG U.S. Stock Pool	217,747,195	333,642,664
ESG International Stock Pool	121,757,273	250,389,526
ESG Global Stock Pool	63,634,076	26,969,151
Short Term Investments (non-pooled)	26,419,352	25,973,926
<b><u>The Investment Fund for Foundations</u></b>		
Multi-Asset Pool	67,033,201	55,009,297
<b><u>Rhumblin Advisers LP</u></b>		
Low Carbon Fund	886,124,447	-
<b>Total Investments</b>	<b><u>\$ 15,119,716,754</u></b>	<b><u>\$ 10,776,853,539</u></b>

## Vanguard Charitable Endowment Program Notes to Financial Statements

### Note 3 – Investments (continued):

Other than TIFF and the Low Carbon Fund, the Pools are not separate funds or legal entities. Donors have no legal or beneficial interest in assets maintained in the Pools, including TIFF and the Low Carbon Fund. Income earned by investments in a particular Pool is retained and reinvested within that Pool.

Considering that the Pools are not separate legal entities, but serve as vehicles to hold investments in one or more underlying mutual funds and exchange traded funds, Vanguard Charitable has determined that it is appropriate to look through the Pools for purposes of classifying the investments in the fair value hierarchy. Other than the Low Carbon Fund, for the years ended June 30, 2021 and 2020, all of the Funds that underlie each Pool are classified as Level 1 investments because the NAVs constitute quoted prices in an active market. Low Carbon Fund units are classified as Level 2 investments because the units are not traded in active markets.

In addition to the Pools, Vanguard Charitable holds Investments (non-pooled) to support its operations. Investments include Vanguard mutual funds which seek to provide current income while maintaining limited price volatility by investing primarily in corporate bonds, pooled consumer loans, fixed income securities and U.S. government bonds. Investments (non-pooled) are classified as Level 1 investments because the Funds' NAVs constitute quoted prices in active markets.

The following tables summarize the Level within the fair value hierarchy at which Vanguard Charitable's investments and other financial instruments are measured at June 30, 2021 and 2020:

<u>at June 30, 2021</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual Funds and Exchange Traded Funds	\$ 14,233,592,307	\$ 14,233,592,307	\$ -	\$ -
Low Carbon Fund	886,124,447	-	886,124,447	-
Total Investments	<u>15,119,716,754</u>	<u>14,233,592,307</u>	<u>886,124,447</u>	<u>-</u>
Contributed Assets held:				
Private Equity	414,769,193	-	-	414,769,193
Earnout Receivable	501,000,000			501,000,000
Total	<u>\$ 16,035,485,947</u>	<u>\$ 14,233,592,307</u>	<u>\$ 886,124,447</u>	<u>\$ 915,769,193</u>
<u>at June 30, 2020</u>				
Investments:				
Mutual Funds and Exchange Traded Funds	\$ 10,776,853,539	\$ 10,776,853,539	\$ -	\$ -
Contributed Assets held:				
Private Equity	9,185,908	-	-	9,185,908
Total	<u>\$ 10,786,039,447</u>	<u>\$ 10,776,853,539</u>	<u>\$ -</u>	<u>\$ 9,185,908</u>

**Vanguard Charitable Endowment Program  
Notes to Financial Statements**

**Note 3 – Investments (continued):**

The following tables present the activity of financial instruments classified as Level 3 throughout the years ended June 30, 2021 and June 30, 2020 with values presented based upon the date of the transaction.

<u>2021</u>	Contributions	Transfers in to Level 3	Transfers out of Level 3	Exchanges/ Restructuring	Total
Private Equity	\$ 1,084,524,929	\$ -	\$ -	\$ (525,000,000)	\$ 559,524,929
Earnout Receivable	-			525,000,000	525,000,000
Total	<u>\$ 1,084,524,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,084,524,929</u>

2020

Private Equity	\$ 104,461,406	\$ -	\$ -		\$ 104,461,406
Total	<u>\$ 104,461,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,461,406</u>

**Note 4 – Contributed Assets Held:**

At June 30, 2021, Vanguard Charitable held contributed private equity investments of \$414,769,193 which were received during the fiscal year and had not been sold. These private equity investments are classified as Level 3 investments in the fair value hierarchy.

At June 30, 2020, Vanguard Charitable held contributed private equity investments of \$9,185,908 which were received during the fiscal year and had not been sold. These private equity investments are classified as Level 3 investments in the fair value hierarchy.

Certain contributed assets may have a restriction as to resale, which typically does not exceed one year. These investments with a restriction are reported at fair value and are included in net assets without donor restrictions since they are not subject to donor- imposed stipulations.

**Note 5 – Earnout Receivable:**

In November 2020, Vanguard Charitable received donated securities of a private company which were subsequently cancelled in exchange for an earnout agreement entitling Vanguard Charitable to annual payments equal to a percentage of the private company's net revenue. The agreement provides for annual payments over seven years, and the earnout receivable is presented at fair value using the discounted cash flows method. Future receipt of payments under the earnout agreement will be presented as investing cash flows on the Statement of Cash Flows, and subsequent changes in fair value of the earnout receivable will appear on the Statement of Activities.

## **Vanguard Charitable Endowment Program Notes to Financial Statements**

### **Note 6 - Long-Term Payable:**

Vanguard has agreed to provide funding to Vanguard Charitable in the form of an interest-free financing arrangement of up to \$6,500,000. The financing arrangement is provided on an unsecured basis and the timing of the repayment is at the discretion of the Trustees. There were no draws during the fiscal years ending June 30, 2021 and 2020. The balance was \$0 at June 30, 2021 and 2020.

### **Note 7 - Net Assets Released for Administrative Fee:**

Vanguard Charitable charges an administrative fee to all donor-advised accounts. The base fee is an annual charge of 0.60% of the net assets of the Pools and is wrapped in with investment income on these related financial statements. Accounts with amounts exceeding the \$500,000 level may be eligible for reduced administrative fees. Accounts with balances below a specified threshold may be charged an additional annual maintenance fee.

The administrative fee is accrued daily and reduces the net asset values of the Pools held in the donor-advised accounts. These administrative fees are then transferred monthly to the operating account. The administrative fee was \$30,438,525 and \$25,958,395 and for the years ended June 30, 2021 and 2020, respectively and is included in Investment income on the Statement of Activities. The administrative fee assessed is used to pay the operating expenses of Vanguard Charitable.

### **Note 8 - Income Taxes:**

Vanguard Charitable has made no provision for federal income taxes for the years ended June 30, 2021 and 2020 since it has received a tax determination letter, dated May 3, 2002, from the Internal Revenue Service classifying it as a public charity exempt from federal income tax. Vanguard Charitable does pay federal income tax on unrelated business income related to certain contributions of illiquid assets. Management has noted no uncertain tax positions and has concluded no provision is required.

### **Note 9 – Subsequent Events:**

Vanguard Charitable has determined that no material events or transactions occurred through October 7, 2021 that would require recognition or disclosure in these financial statements.