

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Religions (dba United Religions Initiative)

Opinion

We have audited the accompanying combined financial statements of United Religions (dba United Religions Initiative) (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the financial position of United Religions (dba United Religions Initiative) as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 United Religions (dba United Religions Initiative) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Religions (dba United Religions Initiative)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditing 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 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 United Religions (dba United Religions Initiative)'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 United Religions (dba United Religions Initiative)'s ability to continue as a going concern for a reasonable period of time.

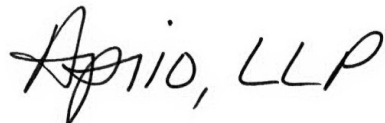
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note B to the financial statements, as of January 1, 2022, the Company adopted Accounting Standards Update (ASU) No. 2016-02 "Leases" (ASC Topic 842). Our opinion is not modified with respect to that matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 28 - 29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is stylized and appears to be written in a cursive or semi-cursive font.

San Francisco, CA
September 26, 2023

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

ASSETS

Current assets

Cash and cash equivalents	\$ 567,292	\$ 1,494,543
Investments	2,767	9,663
Pledges receivable	66,650	45,175
Prepays and other assets	<u>97,774</u>	<u>81,538</u>
Total current assets	734,483	1,630,919

Other

Investments held for long-term purposes	13,810,849	16,973,650
Property and equipment, net	16,535	46,242
Right of use asset, net	27,013	-
Deposits	<u>17,094</u>	<u>17,094</u>
Total assets	<u>\$14,605,974</u>	<u>\$18,667,905</u>

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 129,248	\$ 122,210
Paycheck Protection Program loan	275,735	275,735
Accrued vacation	92,761	87,790
Deferred revenue	5,000	5,000
Lease liability, current portion	<u>27,013</u>	<u>-</u>
Total current liabilities	<u>529,757</u>	<u>490,735</u>

Net Assets

Without donor restrictions	9,080,958	12,203,026
With donor restrictions	<u>4,995,259</u>	<u>5,974,144</u>
Total net assets	<u>14,076,217</u>	<u>18,177,170</u>
Total liabilities and net assets	<u>\$14,605,974</u>	<u>\$18,667,905</u>

See independent auditors' report and notes to the combined financial statements

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and Revenue</u>			
<u>Support</u>			
Grants and contributions	\$ 1,872,833	\$ 241,962	\$ 2,114,795
In-kind contributions	28,409	-	28,409
Net assets released from restrictions	<u>267,975</u>	<u>(267,975)</u>	<u>-</u>
Total support	<u>2,169,217</u>	<u>(26,013)</u>	<u>2,143,204</u>
<u>Revenue</u>			
Investment return, net of expenses	(2,123,896)	(952,872)	(3,076,768)
Other income	(214)	-	(214)
Loss on disposal of assets	<u>(1,364)</u>	<u>-</u>	<u>(1,364)</u>
Total revenue	<u>(2,125,474)</u>	<u>(952,872)</u>	<u>(3,078,346)</u>
Total support and revenue	<u>43,743</u>	<u>(978,885)</u>	<u>(935,142)</u>
<u>Operating Expenses</u>			
Program expenses:			
Global Community Development	1,769,520	-	1,769,520
Global Community Council	221,107	-	221,107
Communications	228,701	-	228,701
Education and outreach	211,842	-	211,842
Environment	<u>62,752</u>	<u>-</u>	<u>62,752</u>
Total program services	<u>2,493,922</u>	<u>-</u>	<u>2,493,922</u>
Supporting services:			
Management and general	404,202	-	404,202
Foundation expenses	54,880	-	54,880
Fundraising	<u>212,807</u>	<u>-</u>	<u>212,807</u>
Total supporting services	<u>671,889</u>	<u>-</u>	<u>671,889</u>
Total operating expenses	<u>3,165,811</u>	<u>-</u>	<u>3,165,811</u>
Change in net assets	(3,122,068)	(978,885)	(4,100,953)
Net assets, beginning of year	<u>12,203,026</u>	<u>5,974,144</u>	<u>18,177,170</u>
Net assets, end of year	<u>\$ 9,080,958</u>	<u>\$ 4,995,259</u>	<u>\$14,076,217</u>

See independent auditors' report and notes to the combined financial statements

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and Revenue</u>			
Support			
Grants and contributions	\$ 780,874	\$ 1,163,528	\$ 1,944,402
In-kind contributions	11,701	-	11,701
Fundraising event, net	52,638	-	52,638
Net assets released from restrictions	<u>1,482,510</u>	<u>(1,482,510)</u>	<u>-</u>
Total support	<u>2,327,723</u>	<u>(318,982)</u>	<u>2,008,741</u>
Revenue			
Investment return, net of expenses	887,556	430,427	1,317,983
Other income	<u>5,013</u>	<u>-</u>	<u>5,013</u>
Total revenue	<u>892,569</u>	<u>430,427</u>	<u>1,322,996</u>
Total support and revenue	<u>3,220,292</u>	<u>111,445</u>	<u>3,331,737</u>
<u>Operating Expenses</u>			
Program services			
Global Community Development	1,565,698	-	1,565,698
Global Community Council	319,098	-	319,098
Communications	273,521	-	273,521
Education and outreach	279,593	-	279,593
Environment	<u>28,914</u>	<u>-</u>	<u>28,914</u>
Total program services	<u>2,466,824</u>	<u>-</u>	<u>2,466,824</u>
Supporting services:			
Management and general	321,466	-	321,466
Foundation expenses	52,908	-	52,908
Fundraising	<u>312,062</u>	<u>-</u>	<u>312,062</u>
Total supporting services	<u>686,436</u>	<u>-</u>	<u>686,436</u>
Total operating expenses	<u>3,153,260</u>	<u>-</u>	<u>3,153,260</u>
Change in net assets	67,032	111,445	178,477
Net assets, beginning of year	<u>12,135,994</u>	<u>5,862,699</u>	<u>17,998,693</u>
Net assets, end of year	<u>\$12,203,026</u>	<u>\$ 5,974,144</u>	<u>\$18,177,170</u>

See independent auditors' report and notes to the combined financial statements

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services					Supporting Services				
	Global Programs	Global Council	Communications	Education and Outreach	Environment	Total Program Services	Management and General	Foundation	Fundraising	
Personnel costs										
Salaries	\$ 698,240	\$ 129,134	\$ 113,166	\$ 154,315	\$ 34,060	\$ 1,128,915	\$ 181,783	\$ 36,003	\$ 119,932	\$ 1,466,633
Severance	-	-	-	-	-	-	17,554	-	-	17,554
Payroll taxes	44,651	9,384	6,327	10,750	4,316	75,428	11,201	2,769	11,363	100,761
Employee benefits	<u>93,023</u>	<u>20,938</u>	<u>12,197</u>	<u>20,805</u>	<u>6,960</u>	<u>153,923</u>	<u>24,307</u>	<u>7,406</u>	<u>24,484</u>	<u>210,120</u>
Total personnel costs	<u>835,914</u>	<u>159,456</u>	<u>131,690</u>	<u>185,870</u>	<u>45,336</u>	<u>1,358,266</u>	<u>234,845</u>	<u>46,178</u>	<u>155,779</u>	<u>1,795,068</u>
Other										
Grants	620,274	-	-	-	-	620,274	-	-	-	620,274
Other professional services	15,130	7,664	50	-	525	23,369	1,756	-	-	25,125
Professional services	71,289	15,031	58,830	10,857	2,831	158,838	44,522	2,600	13,435	219,395
Occupancy	54,119	12,996	8,659	7,577	5,412	88,763	8,659	-	10,824	108,246
Legal fees	-	-	-	-	-	-	16,349	-	-	16,349
Depreciation and amortization	-	-	-	-	-	-	38,109	-	-	38,109
Accounting fees	17,500	4,200	2,800	2,450	1,750	28,700	2,800	5,000	3,500	40,000
Payroll fees	13,335	2,564	2,308	2,308	256	20,771	2,684	770	2,308	26,533
Insurance	11,170	2,681	1,787	1,564	1,117	18,319	1,787	-	2,233	22,339
Bank fees	-	-	-	-	-	-	21,990	-	-	21,990
Equipment rental and maintenance	3,523	845	563	493	352	5,776	343	-	704	6,823
Postage and shipping	301	60	6,575	35	190	7,161	2,666	-	2,566	12,393
Internet/ Web	3,403	3,559	2,522	414	-	9,898	269	-	-	10,167
Telephone	4,533	428	1,697	250	178	7,086	2,160	-	1,317	10,563
Printing and copying	169	41	9,785	24	17	10,036	371	-	4,981	15,388
Travel - General	45,886	8,889	90	-	380	55,245	19,267	-	4,814	79,326
Supplies	217	-	304	-	242	763	2,269	332	-	3,364
Taxes, licenses and fees	1,710	194	50	-	-	1,954	1,798	-	-	3,752
Travel - Program	64,020	1,044	-	-	2,502	67,566	(1,665)	-	-	65,901
Events/Programs/COL	-	-	-	-	-	-	-	-	9,225	9,225
SEED Grants	3,950	-	-	-	-	3,950	-	-	-	3,950
Miscellaneous	1,585	-	-	-	200	1,785	500	-	-	2,285
Dues and subscriptions	-	-	407	-	-	407	-	-	-	407
Global conference	-	1,280	-	-	-	1,280	-	-	-	1,280
Software purchase and maintenance	606	135	584	-	500	1,825	1,460	-	180	3,465
Meetings, workshop and training	<u>886</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>964</u>	<u>1,890</u>	<u>1,263</u>	<u>-</u>	<u>941</u>	<u>4,094</u>
Total other expenses	<u>933,606</u>	<u>61,651</u>	<u>97,011</u>	<u>25,972</u>	<u>17,416</u>	<u>1,135,656</u>	<u>169,357</u>	<u>8,702</u>	<u>57,028</u>	<u>1,370,743</u>
Total functional expenses	<u>\$ 1,769,520</u>	<u>\$ 221,107</u>	<u>\$ 228,701</u>	<u>\$ 211,842</u>	<u>\$ 62,752</u>	<u>\$ 2,493,922</u>	<u>\$ 404,202</u>	<u>\$ 54,880</u>	<u>\$ 212,807</u>	<u>\$ 3,165,811</u>

See independent auditors' report and notes to the combined financial statements

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services					Supporting Services				Total
	Global Programs	Global Council	Communications	Education and Outreach	Environment	Total Program Services	Management and General	Foundation	Fundraising	
Personnel costs										
Salaries	\$ 570,181	\$ 92,340	\$ 135,191	\$ 180,364	\$ 6,597	\$ 984,673	\$ 50,498	\$ 34,723	\$ 164,857	\$ 1,234,751
Severance	-	-	-	-	-	-	21,167	-	-	21,167
Payroll Taxes	30,868	6,768	9,973	13,424	2,284	63,317	8,991	1,983	12,754	87,045
Employee benefits	<u>81,080</u>	<u>20,442</u>	<u>24,616</u>	<u>37,096</u>	<u>6,020</u>	<u>169,254</u>	<u>22,149</u>	<u>8,294</u>	<u>36,483</u>	<u>236,180</u>
Total personnel costs	<u>682,129</u>	<u>119,550</u>	<u>169,780</u>	<u>230,884</u>	<u>14,901</u>	<u>1,217,244</u>	<u>102,805</u>	<u>45,000</u>	<u>214,094</u>	<u>1,579,143</u>
Other										
Grants	690,296	-	-	3,369	-	693,665	-	-	-	693,665
Other professional services	18,033	104,610	18,000	17,636	-	158,279	20,698	-	1,722	180,699
Professional services	16,930	3,108	54,377	6,063	1,295	81,773	20,821	-	21,111	123,705
Occupancy	61,809	14,834	9,889	8,653	6,181	101,366	4,687	-	12,362	118,415
Other operating expenses	34,411	6,748	6,073	3,238	677	51,147	14,184	-	44,315	109,646
Legal fees	-	56,569	-	-	-	56,569	41,992	-	-	98,561
Depreciation and amortization	-	-	-	-	-	-	70,005	-	-	70,005
Accounting fees	19,000	4,560	3,040	2,660	1,900	31,160	3,040	5,000	3,800	43,000
Payroll fees	12,820	3,077	2,051	1,795	1,282	21,025	247	-	2,564	23,836
Insurance	10,506	2,364	1,965	1,947	916	17,698	1,642	-	2,409	21,749
Bank fees	-	-	-	-	-	-	20,004	-	-	20,004
Equipment rental and maintenance	5,806	1,393	930	813	580	9,522	1,220	-	1,161	11,903
Postage and shipping	2,086	488	334	285	396	3,589	2,755	-	2,713	9,057
Internet/ Web	4,929	381	254	400	159	6,123	2,560	-	332	9,015
Telephone	2,546	368	1,675	355	153	5,097	2,995	-	307	8,399
Printing and copying	344	58	4,975	1,386	32	6,795	38	-	1,534	8,367
Travel - General	1,932	39	-	109	-	2,080	5,225	-	228	7,533
Supplies	-	464	178	-	346	988	3,746	-	1,034	5,768
Taxes, licenses and fees	-	-	-	-	-	-	733	2,908	-	3,641
Travel - Program	1,519	-	-	-	-	1,519	1,887	-	-	3,406
Global conference	-	392	-	-	-	392	-	-	2,261	2,653
Software purchase and maintenance	602	10	-	-	-	612	-	-	115	727
Meetings, workshops and training	<u>-</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>96</u>	<u>181</u>	<u>182</u>	<u>-</u>	<u>-</u>	<u>363</u>
Total other expenses	<u>883,569</u>	<u>199,548</u>	<u>103,741</u>	<u>48,709</u>	<u>14,013</u>	<u>1,249,580</u>	<u>218,661</u>	<u>7,908</u>	<u>97,968</u>	<u>1,574,117</u>
Total functional expenses	<u>\$ 1,565,698</u>	<u>\$ 319,098</u>	<u>\$ 273,521</u>	<u>\$ 279,593</u>	<u>\$ 28,914</u>	<u>\$ 2,466,824</u>	<u>\$ 321,466</u>	<u>\$ 52,908</u>	<u>\$ 312,062</u>	<u>\$ 3,153,260</u>

See independent auditors' report and notes to the combined financial statements

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$(4,100,953)	\$ 178,477
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	38,109	70,005
Net realized and unrealized (gains) losses on investments	3,240,291	(1,069,694)
Donated stock	(1,029)	(33,964)
Loss on disposal of assets	1,364	-
Noncash lease expense	106,680	-
Changes in operating assets and liabilities:		
Pledges receivable	(21,475)	1,235,664
Prepaid expenses and other assets	(16,235)	(14,349)
Accounts payable and accrued expenses	7,036	41,416
Accrued vacation	4,971	(22,400)
Deferred revenue	-	(7,877)
Lease liability	<u>(106,680)</u>	<u>-</u>
Total adjustments	<u>3,253,032</u>	<u>198,801</u>
Net cash provided by (used in) operating activities	<u>(847,921)</u>	<u>377,278</u>
<u>Cash flows from investing activities</u>		
Purchases of equipment	(9,766)	(6,257)
Purchases of securities	(4,757,918)	(4,590,757)
Proceeds from sales of investments	<u>4,688,354</u>	<u>4,931,333</u>
Net cash provided by/used in investing activities	<u>(79,330)</u>	<u>334,319</u>
Increase (decrease) in cash and cash equivalents	(927,251)	711,597
Cash and cash equivalents, beginning of year	<u>1,494,543</u>	<u>782,946</u>
Cash and cash equivalents, end of year	<u>\$ 567,292</u>	<u>\$ 1,494,543</u>

See independent auditors' report and notes to the combined financial statements

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note A

Nature of Organization

With a purpose of promoting peace, justice and healing, United Religions Initiative (URI)'s network has grown to over 1,100 member groups in over 110 countries. These groups, called Cooperation Circles (CCs), are comprised of people representing at least three different religions, traditions or beliefs willing to engage in interfaith dialogue and collaborate on humanitarian efforts in their community. Utilizing this dual strategy approach, URI Cooperation Circles participate in topics including interfaith dialogue, care for individuals in need, educating children, preventing violence against women, improving the environment, resolving conflicts, and negotiating peace – among many other local and global key issues.

Founded in 2000, URI is a 501(c)(3) international organization registered in the State of California. Its purpose is to promote enduring, daily interfaith cooperation, end religiously motivated violence and create cultures of peace, justice and healing. URI engages people at the grassroots level to build bridges of understanding across religious and cultural differences, working together for the good of their communities and the world. URI implements its mission by creating a vital transformative network that connects, enables, trains and amplifies the work of locally-based groups. URI's network enables grassroots leaders to self-organize in accordance with URI's purpose and principles, implement local initiatives, exchange inspiring ideas and knowledge, and deepen mutual understanding and respect through strong interpersonal relationships. URI's network strengthens the capacity of member groups and organizations to engage in community actions that meet their most pressing needs, such as poverty, conflict resolution, environmental sustainability, education, women's empowerment, inter-religious dialogue and advocacy for human rights.

Governance: The Global Council

The Global Council is URI's governing Board of Trustees. Three Global Council Trustees are elected by URI's member CCs from each of eight regions of the world. The Global Council can appoint At-Large Trustees to ensure gender, faith and experience diversity. The Global Council's primary responsibilities include being the governing body of URI; carrying out URI's mission and purpose; selecting, supporting and evaluating the Executive Director; ensuring effective planning and adequate financial resources; protecting the organization's assets and providing financial oversight; and ensuring legal and ethical integrity. With trustees from 22 countries representing diverse religious and indigenous traditions, the Global Council brings its grassroots experience to URI's ongoing strategic planning, network development and global engagement and serves to increase URI's presence all over the world. The Global Council typically meets once a year in person, and three times a year by video conference call. In between these meetings, the Global Council operates through working committees that actively participate via email and video conferencing. Members of the Global Council also represent regions, and sit on Regional Leadership Teams that plan and implement regional strategies to build network benefits to member CCs and develop collective global campaigns, such as mobilizing CCs around the world to participate in the International Day of Peace on September 21.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note A

Nature of Organization (Continued)

United Religions Initiative Foundation, Inc.

The United Religions Initiative Foundation, Inc. (URI Foundation) is an independent entity operating for charitable purposes as a support organization under 509(a)(3) of the IRS code. It was created by URI's Global Council as a competent, trustworthy vehicle for managing and investing URI's endowment and strategic reserves – keys to supporting URI's core activities around the world. The Foundation Board has established an Investment Committee as well as Investing and Spending Policies. Working with the Investment Committee, the Foundation Board oversees investments; monitors its endowment investment performance and the usage of the funds by URI to ensure compliance with the Investment and Spending Policies; reviews and updates the Investment and Spending Policies as necessary; and coordinates the relationship with investment advisors and managers to ensure optimal performance of the endowment and strategic reserves.

URI Activities include:

Global Network Development: In 22 years, URI has grown from 83 founding member organizations, called Cooperation Circles (CCs), to over 1,100 member groups in over 110 countries. URI's unique global network of grassroots CCs calls forth locally-initiated actions by self-supporting groups and organizations. CCs can be small groups organizing for the first time, or well-established organizations. Every CC must have at least seven members, and must represent at least three different religions, spiritual expressions or indigenous traditions.

URI's organizational structure includes eight regions which are staffed by 18 regional coordinators who serve CCs through programmatic approaches, supervise regional team members, coordinate regional leadership teams and more. The primary work of the regional bases is to provide direct communication with and network support for CCs. Network benefits include: helping CCs build capacity, raising visibility for CC work, assisting CCs in creating partnerships, connecting with local officials, organizing local and regional gatherings and trainings, and inspiring the development of new CCs. CCs are inspired and sustained in their work by active participation in URI's vital network with other CCs with whom they generate connection, communication, co-mentoring and shared learning. URI's Global Support Office, which is based in San Francisco, provides accountability, training and consultation for regional coordinators, and regional team members.

URI's Global Support Office oversees the operations of the URI network, energizing the network by supporting regional leadership teams, creating a flow of quality information, maintaining a CC member database, managing finance, publicizing CC impact worldwide, engaging in fundraising, and providing focused resource support and training in areas such as conflict transformation, the environment, women's empowerment, and youth leadership. The Executive Director, Chair of the URI Global Council and URI's President, working on behalf of an elected 30member Global Council, lead the URI network and are supported by 15 global support staff.

Communications: URI's international network relies on a robust communication system. URI's global website, uri.org, is designed to magnify URI's impact, highlight CC successes, connect CCs, provide resource information to CCs, and encourage global campaigns for collective global action and more. Additionally, URI produces an Annual Impact Report, as well as other print, online and multimedia collateral for the network. In the digital media domain, URI is enhanced by engaging audiences on Facebook, Twitter, Instagram, LinkedIn, and YouTube. Given fast-paced technological change, URI's Communications Team studies new systems, makes recommendations to URI, and continually updates the website.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
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Note A

Nature of Organization (Continued)

Education and Outreach: To strengthen the effectiveness of CCs to accomplish their goals, exchanges of various kinds of expertise take place among CC members. URI provides training to help CCs effectively take part in a global network of support and provides CCs with in-depth interviews that deepen understanding of their impact and potential. URI designs local, national and regional gatherings for CCs to meet face-to-face to share resources, receive training, and give and receive mutual support. URI collaborates with member groups worldwide to assess the impact of belonging to the URI network as both contributors to the network and receivers of benefits.

Focused Resource Support: URI provides targeted resources to support the global CC network in the areas of: conflict resolution, Indigenous rights, women's empowerment, environmental issues and youth leadership. CCs, as well as individuals and organizations with specific expertise and resources in these areas, provide an effective channel of communication, creative resourcing and education to strengthen CC capacity. URI plans to expand focused training and support in the areas of conflict resolution, environment, etc.

Note B

Summary of Significant Accounting Policies

Principles of Combination:

The combined financial statements include the accounts of United Religions (dba United Religions Initiative), and its Affiliate, The United Religions Initiative Foundation, Inc., (URI Foundation) a California non-profit organization (collectively the "Organization"). The entities are combined as a result of the common management. All material intercompany balances and transactions have been eliminated

Basis of Accounting:

The financial statements of the Organization are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation:

Financial statement presentation is in accordance with accounting standards regarding the reporting of net assets. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- **Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Global Council.
- **Net Assets With Donor Restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions may be 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 may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note B
Summary of Significant Accounting Policies (Continued)

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purpose of the statements of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at one commercial bank. These balances can at times exceed the FDIC insured deposit limit of \$250,000 per financial institution. The Organization has not experienced any losses in these accounts through the date when the financial statements were available to be issued.

Revenue Recognition:

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notifications of a beneficial interest in received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Organization recognizes contributions as restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor-imposed restriction is met or the passage of time expires, restricted net assets are reclassified to net assets without donor restrictions and presented in the accompanying statements of activities - as net assets released from restrictions. The Organization treats restricted contributions as restricted and then released if spent in the same year.

The Organization recognizes contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-term assets with explicit restrictions that specify how the assets are to be used and contributions of cash and other assets that must be used to acquire long-term assets are recognized as restricted support. In the absence of explicit donor stipulations about how those long-term assets must be maintained, the Organization reports expirations of donor-imposed restrictions when the donated or acquired long-term assets are placed in service.

UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note B
Summary of Significant Accounting Policies (Continued)

Contributions:

The Organization records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of donor-imposed restrictions. Contributions that are expected to be collected after one year are discounted at a discount rate commensurate with the risks involved and the period of time over which the contributions are expected to be collected. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable. The Organization recognizes conditional promises to give when the conditions stipulated by the donor are substantially met.

Investments:

Investments are carried at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investment income and gains and losses on investments are recorded as increases or decreases in net assets without donor restriction, unless their use is restricted by explicit donor stipulations, or by law. Investment income and gains and losses on investments whose use is restricted by explicit donor stipulation, or by law, but whose restrictions expire in the same reporting period as earned, are reported as investment income without donor restriction.

Investments consist of equity securities and are reported at their fair values in the statements of financial position. All equity securities held by the Organization are considered to be available-for-sale securities. Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the accompanying financial statements.

Fair Value Measurements:

The Organization applies FASB ASC 820, *Fair Value Measurements* (ASC 820), which establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note B
Summary of Significant Accounting Policies (Continued)

The three general valuation techniques that may be used to measure fair value are described below:

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

Level 2 Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liability 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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The following are descriptions of the valuation methods and assumptions used by the Organization to estimate the fair values of certain financial instruments. There have been no changes to the methodologies used at December 31, 2022 and 2021:

Cash and cash equivalents: Fair values of money market funds are estimated to approximate deposit account balances, payable on demand, as no discounts for credit quality or liquidity were determined to be applicable (Level 1 inputs).

Fixed Income Securities: Fixed income securities are invested primarily in high grade fixed income securities, which are one to six years in duration. The fair values of these investments are not readily marketable but may be readily determinable by obtaining quoted prices on a nationally recognized securities exchanges (Level 1 inputs).

Equity Securities and Mutual Funds: Consist of mutual funds which are primarily invested in equity securities. The fair value of mutual funds are not readily marketable but may be readily determinable by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note B
Summary of Significant Accounting Policies (Continued)

Property and equipment:

Property and equipment are stated at cost. Expenditures for minor additions of equipment are charged to expense when incurred. The Organization capitalizes interest as a component of the cost of property and equipment when the property and equipment is constructed using borrowed funds.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, as follows:

Furniture and equipment	3 - 7 years
Leasehold improvements	15 years

Amortization is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

Video content	3 years
Website development costs	3 years
Database	3 years

Leases:

The Organization adopted ASC 842 - Leases, effective January 1, 2022, with all the available practical expedients, retrospectively at the beginning of the period of adoption. There was no retained earnings impact on the adoption of ASC 842. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right of use (ROU) asset at the commencement date of each lease. The lease liability is initially and subsequently recognized based on the present value of the contract's future lease payments.

Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate, if it is readily determinable, or the Organization's incremental borrowing rate. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease costs associated with its short-term leases on a straight-line basis over the lease term. When contracts contain lease and non-lease components, the Organization accounts for both components as a single lease component.

Advertising:

Advertising costs are expensed as incurred and paid. For the years ended December 31, 2022 advertising expense totaled \$6,325.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note B
Summary of Significant Accounting Policies (Continued)

Functional Expenses:

The Organization allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly. Expenses common to several functions are allocated according to the formula developed by management.

Tax Exempt Status:

United Religion and the Foundation are recognized as public charities exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701 of the California and Revenue Taxation Code. Accordingly, no provision has been made for such taxes in the accompanying combined financial statements. The Organization applies the guidance on accounting for uncertain tax provisions in FASB ASC 740 Income Taxes. The Organization is no longer subject to income tax examinations for tax years up to and including 2019.

Grant and Pledges Receivable:

The Organization recognizes all unconditional grants and pledges in the period notified. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts that are restricted by the donor/grantor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Management uses the specific identification method for establishing an allowance for uncollectible receivables. No allowance was deemed necessary at December 31, 2022 and 2021. It is the Organization's policy to charge off uncollectible grant and pledge receivables when management determines the receivable will not be collected.

Intangible Assets and Amortization:

Capitalized costs of video content, website development and software are amortized on the straight-line method over an estimated useful life of three years.

In-kind contributions:

The Organization records contributed goods and services at fair value. Services are recorded if they:

1. The value for the contributed goods and services is recorded if they create or enhance a non-financial asset or,
2. Would typically need to be purchased by the Organization if the contributed goods and services had not been provided by contribution; they require special skills and are provided by individuals with those skills. During the years ended December 31, 2022 and 2021, the Organization recognized \$0 and \$11,701, respectively, in contributed goods and services.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note B
Summary of Significant Accounting Policies (Continued)

Grants and Contributions:

Contributions and grants are reflected in the accounts of the Organization when their receipt is reasonably assured. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor or granting agency.

The Organization reports grants of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports grants of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Grants of long-lived assets with explicit restrictions that specify how the assets are to be used and grants of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Note C
Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of December 31:

	<u>2022</u>	<u>2021</u>
Financial assets available for general expenditure within one year:		
Cash and cash equivalents	\$ 594,305	\$ 1,494,543
Investments	2,767	9,663
Pledges receivable - current portion	66,650	45,175
Investments - strategic reserve portion	692,539	447,426
Endowment spending availability		
Board designated quasi-endowment at %5	425,643	554,645
Restricted endowment funds at 4%	174,216	207,333
Less donor-imposed restricted amount	<u>(194,867)</u>	<u>(194,867)</u>
Financial assets available	<u>\$ 1,761,253</u>	<u>\$ 2,563,918</u>

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. In addition to financial assets available for general expenditure within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Because the donor restrictions require resources to be used in a particular manner or in future periods, the Organization maintains sufficient resources to meet the responsibility to its donors. Thus, financial assets as they relate to donor restrictions may not be available for general expenditure within one year.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note D
Investments

Investments consisted of the following as of December 31, 2022 and 2021:

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total Fair Value
Cash and money market funds	\$ 446,067	\$ -	\$ -	\$ 446,067
Fixed income securities	-	1,765,645	-	1,765,645
Mutual funds - bonds	528,403	-	-	528,403
Equities	4,524,643	-	-	4,524,643
Mutual funds - equities	5,123,989	-	-	5,123,989
REIT	28,484	-	-	28,484
Interest in partnerships	-	-	999,856	999,856
Interest in LLC	-	-	396,529	396,529
	<u>\$ 10,651,586</u>	<u>\$ 1,765,645</u>	<u>\$ 1,396,385</u>	<u>\$ 13,813,616</u>

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total Fair Value
Cash and money market funds	\$ 432,493	\$ -	\$ -	\$ 432,493
Fixed income securities	-	2,251,702	-	2,251,702
Mutual funds - bonds	1,690,387	-	-	1,690,387
Equities	5,624,619	-	-	5,624,619
Mutual funds - Equities	6,259,464	-	-	6,259,464
REIT	43,835	-	-	43,835
Interest in LLC	-	-	680,813	680,813
	<u>\$ 14,050,798</u>	<u>\$ 2,251,702</u>	<u>\$ 680,813</u>	<u>\$ 16,983,313</u>

Investments are reflected on the combined statements of financial position for the years ended December 31 as follows:

	2022	2021
Investments	\$ 2,767	\$ 9,663
Investments held for long-term purposes	<u>13,810,849</u>	<u>16,973,650</u>
Totals	<u>\$ 13,813,616</u>	<u>\$ 16,983,313</u>

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note D
Investments (Continued)

Investment income consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 266,761	\$ 359,869
Realized gains	50,860	873,233
Unrealized gains	(3,284,087)	196,461
Investment fees	<u>(110,302)</u>	<u>(111,580)</u>
Totals	<u>\$ (3,076,768)</u>	<u>\$ 1,317,983</u>

Level 3 gains and losses: The level 3 investments include holdings in Keystone Real Estate Lending Fund, LLC, Kabouter International Insight Fund, LLC, Community EM Credit Fund L.P, and CIM Enterprise Loan Fund, L.P. The funds are valued based upon reports provided by the fund managers. The following table sets forth a summary of the changes in fair value of the Organization's Level 3 assets:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 680,813	\$ 647,810
Contributions	950,000	-
Fees and taxes	(4,356)	(6,145)
Unrealized gains (losses)	<u>(230,072)</u>	<u>39,148</u>
Balance, end of year	<u>\$ 1,396,385</u>	<u>\$ 680,813</u>

Note E
Pledges Receivable

Pledges receivable consist of the following at December 31:

<u>December 31, 2022</u>	<u>Current</u>
Donor restricted:	
Time-restricted	<u>\$ 66,650</u>
<u>December 31, 2021</u>	<u>Current</u>
Donor restricted:	
Time-restricted	<u>\$ 45,175</u>

UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note F
Property and Equipment

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

	2022	2021
Furniture and equipment	\$ 180,381	\$ 172,504
Leasehold improvements	11,747	11,747
Video content	400,557	400,557
Website development costs	217,483	217,483
Database	82,311	82,311
	892,479	884,602
Less: accumulated depreciation and amortization	(875,944)	(838,360)
Property and equipment, net	\$ 16,535	\$ 46,242

Depreciation and amortization expense for the years ended December 31, 2022 and 2021, totaled \$38,109 and \$70,005, respectively.

Note G
Leases

The Company has obligations as a lessee for office space. All leases are classified as operating leases. Payments due under the lease contracts include mainly fixed payments. ASC 842 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less). As of December 31, 2022, the Company has no short-term lease expense.

The components of the leases for the year ended December 31, 2022, are as follows:

Operating lease cost		\$ 108,237
Cash paid for amounts included in the measurement of lease liabilities - operating lease		\$ 108,237
Weighted-average remaining lease term - operating lease		0.25
Weighted-average discount rate - operating lease		2.05 %

Maturities of the lease liability under the noncancelable lease as of December 31, 2022, are as follows:

<u>Year Ending December 31,</u>		
2023	\$	27,059
Total undiscounted lease payments	27,059	
Less: imputed interest	(46)	
Total lease liability	\$	27,013

UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note H

Net Assets Without Donor Restrictions

Net assets without donor restrictions include net assets designated by the Organization's Global Council. The designated quasi-endowment fund and the designated strategic reserve fund are intended as reserves for expenditures for permissible purposes of the Organization. These funds are to be invested to provide income for a long but unspecified period. Authorized expenditures for the quasi-endowment shall be no greater than 5% of the total market value of the quasi-endowment in any fiscal year. Authorized expenditures for the strategic reserve are not limited. The Global Council has the right at any time to authorize expenditures in accord with the applicable spending policy.

The designated reserve funds are invested in mutual funds, equity securities, government securities and corporate bonds. These investments are stated at fair value which is the value of the assets based on quoted market prices as of the last day of the fiscal year. Purchases and sales of securities are recorded on a trade-date basis.

Net assets without donor restrictions consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Available for operations	\$ <u>70,433</u>	\$ <u>857,572</u>
Board designated quasi-endowment	8,512,853	11,092,895
Board designated strategic reserve	692,539	447,426
Donor restricted funds held in Strategic Reserve	<u>(194,867)</u>	<u>(194,867)</u>
Total board designated	<u>9,010,525</u>	<u>11,345,454</u>
Total net assets without donor restriction	<u>\$ 9,080,958</u>	<u>\$ 12,203,026</u>

Changes in board designated net assets for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Board designated net assets, beginning	\$ 11,345,454	\$ 11,886,611
Contributions	1,700,000	-
Investment return	192,469	226,443
Net realized and unrealized gains (losses)	(2,236,835)	711,284
Transfers	(10,443)	148,568
Fees	(80,120)	(77,451)
Expenditures	<u>(1,900,000)</u>	<u>(1,550,001)</u>
Board designated net assets, ending	<u>\$ 9,010,525</u>	<u>\$ 11,345,454</u>

UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note I

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2022:

	December 31, 2021	Contributions and Income	Released from Restrictions	December 31, 2022
Endowment funds - corpus	\$ 4,252,456	\$ 125,000	\$ -	\$ 4,377,456
Endowment funds - earnings	1,180,872	(952,872)	-	228,000
Time-restricted:				
Marcus	220,000	-	(220,000)	-
Strategic Reserves	12,469	-	-	12,469
Strategic Reserves - D&C	14,132	-	-	14,132
Kramer - Membership	161,667	-	-	161,667
Kramer - COL	5,000	-	-	5,000
Ambassador Fund	15,268	-	-	15,268
Peggy Olsen Fund	12,225	-	-	12,225
Semel Funds	500	-	-	500
Traveling Peace Academy	10,000	-	-	10,000
Porticus	82,405	100,000	(36,955)	145,450
Elder- Youth Initiative	1,750	-	-	1,750
Environment	-	4,000	(4,000)	-
UNEP - Asia	5,000	-	-	5,000
URI - MENA - Ethiopia	-	5,000	(5,000)	-
URI - Asia	400	-	(400)	-
URI - MENA	-	7,342	(1,000)	6,342
URI - Youth	-	500	(500)	-
URI - Voices	-	120	(120)	-
	<u>\$ 5,974,144</u>	<u>\$ (710,910)</u>	<u>\$ (267,975)</u>	<u>\$ 4,995,259</u>

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note I
Net Assets With Donor Restrictions (Continued)

Net assets with donor restrictions consist of the following as of December 31, 2021:

	December 31, 2020	Contributions and Income	Released from Restrictions	December 31, 2021
Endowment funds - corpus	\$ 3,208,528	\$ 1,043,928	\$ -	\$ 4,252,456
Endowment funds - earnings	760,445	430,427	(10,000)	1,180,872
Time-restricted:				
Davidson	191,048	-	(191,048)	-
Marcus	1,000,000	-	(780,000)	220,000
McQuown	100,000	-	(100,000)	-
Miscellaneous	24,250	-	(24,250)	-
Strategic Reserves	153,020	-	(140,551)	12,469
Strategic Reserves - D&C	14,132	-	-	14,132
Kramer - Membership	361,533	-	(199,866)	161,667
Kramer - COL	10,000	-	(5,000)	5,000
Ambassador Fund	15,268	-	-	15,268
Peggy Olsen Fund	12,225	-	-	12,225
Semel Funds	500	-	-	500
Traveling Peace Academy	10,000	-	-	10,000
Porticus	-	100,000	(17,595)	82,405
Elder- Youth Initiative	1,750	-	-	1,750
UNEP - Asia	-	5,000	-	5,000
URI - Asia	-	400	-	400
URI - MENA	-	1,000	(1,000)	-
UNEP - Europe - Bosnia	-	5,000	(5,000)	-
UNEP - MENA - Lebanon	-	5,000	(5,000)	-
URI - YLP	-	500	(500)	-
URI - Voices	-	2,700	(2,700)	-
	<u>\$ 5,862,699</u>	<u>\$ 1,593,955</u>	<u>\$ (1,482,510)</u>	<u>\$ 5,974,144</u>

Note J
Endowment

The Organization's endowment includes both donor-restricted endowment funds and a quasi-endowment fund designated by the Global Council to function similarly to an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function similarly to an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note J
Endowment (Continued)

Interpretation of Relevant Law:

The state of California adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as endowment net assets (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not related to the corpus is classified as net assets with restrictions until amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

Return Objectives and Risk Parameters:

The Organization has adopted investment and spending policies for endowment assets that strive to expand the purchasing power of the endowment fund while providing for distributions based on its spending policy. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that approximate the stated spending objectives plus the consumer price index assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount with the primary objective for the Fund being preservation and growth of principal.

Spending Policy:

The Organization has a policy of distributing annually 5% of the endowment fund's previous 8 quarter rolling average. However, the Global Council have the right in any given year to spend any amount in excess or below this stated amount, as they deem appropriate.

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**Note J
Endowment (Continued)**

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The composition of and changes in endowment net assets for the years ended December 31, 2022 and 2021, are as follows:

Endowment net assets, January 1, 2021	\$ 3,968,973
Contributions	1,043,928
Transfers	9,435
Release	(10,000)
Interest and dividends	133,421
Net gains (realized and unrealized)	320,424
Fees	<u>(32,853)</u>
Endowment net assets, December 31, 2021	<u>\$ 5,433,328</u>
Endowment net assets January 1, 2022	\$ 5,433,328
Contributions	125,000
Transfers	29,437
Interest and dividends	94,146
Net gains (realized and unrealized)	(1,040,600)
Fees	<u>(35,855)</u>
Endowment net assets, December 31, 2022	<u>\$ 4,605,456</u>

**Note K
Retirement Plan**

Multiemployer Plan - The Organization is a participant in The Church Pension Fund Clergy Pension Plan (the "Plan"), a multiemployer defined benefit plan. The only employee in the Plan is the Executive Director. The Organization's contribution to the Plan for the years ended December 31, 2022 and 2021, amounted to \$0 and \$18,134, respectively. The Organization's contributions to the Plan do not represent more than 5% of the total contributions received by the Plan. The assessments for the years ended March 31, 2022 and March 31, 2021 (the Plan year), were 9% of the participant's compensation. The Organization terminated this plan on May 31, 2021.

Selected information regarding the Plan are as follows

	<u>March 31,</u>	
Net assets available for benefits	\$ -	\$ 165,524,173
Actuarial present value of accumulated plan benefits	\$ -	\$ 240,746,000
Indicated level of funding		75%

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note K
Retirement Plan (Continued)

Other plans - In 2012, the Organization adopted the United Religions Initiative 403(b) Plan. Eligible employees are able to participate in the Plan on their first day of employment. The employer matches 5% of salary semi-monthly for each employee after 1 year of employment, and if an employee contributes at least of 4% of salary the employer will match an additional 4%.

Total contribution expense to the 403(b) Plan for the years ended December 31, 2022 and 2021, amounted to \$66,955 and \$71,223, respectively.

Note L
Paycheck Protection Program Loan

In April 2020, the Organization received loan proceeds of \$275,735 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses. The Organization was informed that the loan was forgiven in April, 2023.

Note M
Fundraising Event:

The following is a summary of revenues and expenses related to the 2021 Circle of Light event:

Revenues and contributions	\$ 70,970
Less expenses	<u>(18,332)</u>
Net income from fundraising event	<u>\$ 52,638</u>

Note N
Contingencies

The Organization is party to various matters that arise in the normal course of business. Management believes the resolution of these matters will not have a material impact on operations or its financial position.

Note O
Subsequent Events

Management considered all events through September 26, 2023 the date the financial statements were available for release, in preparing the financial statements and the related disclosures. The Organization is not aware of any other significant events that occurred subsequent to December 31, 2022, but prior to the issuance of this report, that would have a material impact on the financial statements.

SUPPLEMENTARY INFORMATION

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
COMBINING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>ASSETS</u>	<u>United Religions Initiative</u>	<u>United Religions Initiative Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>Current assets</u>				
Cash and cash equivalents	\$ 567,292	\$ -	\$ -	\$ 567,292
Investments	2,767	-	-	2,767
Pledges receivable	66,650	-	-	66,650
Prepays and other assets	<u>97,774</u>	<u>-</u>	<u>-</u>	<u>97,774</u>
Total current assets	734,483	-	-	734,483
<u>Other assets</u>				
Investments	-	13,810,849	-	13,810,849
Investments held by Foundation	606,778	-	(606,778)	-
Property and equipment, net	16,535	-	-	16,535
Beneficial interest in Foundation	13,204,071	-	(13,204,071)	-
Deposits	17,094	-	-	17,094
Right of use asset, net	<u>27,013</u>	<u>-</u>	<u>-</u>	<u>27,013</u>
Total assets	<u>\$ 14,605,974</u>	<u>\$ 13,810,849</u>	<u>\$ (13,810,849)</u>	<u>\$ 14,605,974</u>
 <u>LIABILITIES AND NET ASSETS</u>				
<u>Current liabilities</u>				
Accounts payable and accrued expenses	\$ 129,248	\$ -	\$ -	\$ 129,248
Paycheck protection program loan	275,735	-	-	275,735
Accrued vacation	92,761	-	-	92,761
Deferred revenue	5,000	-	-	5,000
Lease liability	<u>27,013</u>	<u>-</u>	<u>-</u>	<u>27,013</u>
Total current liabilities	529,757	-	-	529,757
<u>Long-term liabilities</u>				
Investments held for Initiative	<u>-</u>	<u>606,778</u>	<u>(606,778)</u>	<u>-</u>
Total liabilities	<u>529,757</u>	<u>606,778</u>	<u>(606,778)</u>	<u>529,757</u>
<u>Net assets</u>				
Without donor restrictions	9,080,958	9,620,210	(9,620,210)	9,080,958
With donor restrictions	<u>4,995,259</u>	<u>3,583,861</u>	<u>(3,583,861)</u>	<u>4,995,259</u>
Total net assets	<u>14,076,217</u>	<u>13,204,071</u>	<u>(13,204,071)</u>	<u>14,076,217</u>
Total liabilities and net assets	<u>\$ 14,605,974</u>	<u>\$ 13,810,849</u>	<u>\$ (13,810,849)</u>	<u>\$ 14,605,974</u>

See independent auditors' report and notes to the combined financial statements

**UNITED RELIGIONS (DBA UNITED RELIGIONS INITIATIVE)
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	United Religions Initiative	United Religions Initiative Foundation	Eliminations	Total
<u>Revenues and other support</u>				
Grants and contributions	\$ 1,992,438	\$ 122,357	\$ -	\$ 2,114,795
Grant income from URI Foundation	1,488,463	-	(1,488,463)	-
In-kind contributions	28,409	-	-	28,409
Investment return, net of expenses	(128,167)	(2,948,601)	-	(3,076,768)
Other income	(214)	-	-	(214)
Equity in net earnings of Foundation	(4,369,587)	-	4,369,587	-
Loss on disposal of assets	(1,364)	-	-	(1,364)
	<u>(990,022)</u>	<u>(2,826,244)</u>	<u>2,881,124</u>	<u>(935,142)</u>
<u>Operating expenses</u>				
Program services:				
Global Community Development	1,769,520	-	-	1,769,520
Global Community Council	221,107	-	-	221,107
Communications	228,701	-	-	228,701
Education and outreach	211,842	-	-	211,842
Environment	62,752	-	-	62,752
Grant payment to URI Foundation	-	1,488,463	(1,488,463)	-
	<u>2,493,922</u>	<u>1,488,463</u>	<u>(1,488,463)</u>	<u>2,493,922</u>
Supporting services:				
Management and general	404,202	-	-	404,202
Foundation	-	54,880	-	54,880
Fundraising	212,807	-	-	212,807
	<u>617,009</u>	<u>54,880</u>	<u>-</u>	<u>671,889</u>
	<u>3,110,931</u>	<u>1,543,343</u>	<u>(1,488,463)</u>	<u>3,165,811</u>
Change in net assets	(4,100,953)	(4,369,587)	4,369,587	(4,100,953)
Net assets at beginning of year	<u>18,177,170</u>	<u>17,573,658</u>	<u>(17,573,658)</u>	<u>18,177,170</u>
Net assets at end of year	<u>\$ 14,076,217</u>	<u>\$ 13,204,071</u>	<u>\$ (13,204,071)</u>	<u>\$ 14,076,217</u>

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