

URI UNITED RELIGIONS
(A California Not-for-Profit Corporation)
dba UNITED RELIGIONS INITIATIVE
And Its Affiliate

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND DECEMBER 31, 2019



UNITED RELIGIONS
dba UNITED RELIGIONS INITIATIVE
And Its Affiliate

TABLE OF CONTENTS
DECEMBER 31, 2020 AND DECEMBER 31, 2019

	Page(s)
Independent auditors' report	2 - 3
Combined statements of financial position	4
Combined statements of activities	5 - 6
Combined statements of functional expenses	7 - 8
Combined statements of cash flows	9
Notes to combined financial statements	10 - 27
Supplementary information:	
Combining statement of financial position	29
Combining statement of activities	30



Independent Auditors' Report

Global Council of
United Religions (dba United Religions Initiative)

We have audited the accompanying combined financial statements of United Religions (dba United Religions Initiative) (a California not-for-profit organization) and Its Affiliate, which comprise the combined statements of financial position as of December 31, 2020 and December 31, 2019, 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.

Management's Responsibility for the Financial Statements

United Religions' management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audit 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined 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 entity'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of United Religions and Its Affiliate as of December 31, 2020 and December 31, 2019, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position as of December 31, 2020 and the combining statement of activities for the year ended December 31, 2020 are presented for purposes of additional analysis and are 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

RINA Accountancy LLP

Certified Public Accountants

San Francisco, California
April 11, 2022

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

COMBINED STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
CURRENT:		
Cash and cash equivalents	\$ 782,946	\$ 939,571
Investments	3,112	4,378
Current portion of pledges receivable	1,174,990	1,341,408
Other receivables	-	1,574
Prepaid expenses and other assets	73,147	47,824
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	2,034,195	2,334,755
OTHER:		
Investments restricted for long-term purposes	16,217,119	13,408,780
Pledges receivable	105,849	1,240,613
Equipment and improvements, net	7,187	639
Intangible assets, net	102,803	167,066
Deposits	17,094	17,094
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 18,484,247</u>	<u>\$ 17,168,947</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 86,752	\$ 102,467
Paycheck Protection Program loan - current portion	32,847	-
Accrued vacation	110,190	62,187
Deferred revenue	12,877	1,911
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	242,666	166,565
LONG-TERM:		
Paycheck Protection Program loan	242,888	-
	<hr/>	<hr/>
TOTAL LIABILITIES	485,554	166,565
NET ASSETS:		
Without donor restrictions	12,135,994	11,433,201
With donor restrictions	5,862,699	5,569,181
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TOTAL NET ASSETS	17,998,693	17,002,382
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,484,247</u>	<u>\$ 17,168,947</u>

See notes to combined financial statements.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

COMBINED STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OPERATING REVENUE:			
SUPPORT:			
Grants and contributions	\$ 813,950	\$ 1,275,936	\$ 2,089,886
In-kind contributions	18,329	-	18,329
Fundraising event, net	86,406	-	86,406
Net assets released from restrictions	1,527,265	(1,527,265)	-
TOTAL SUPPORT	2,445,950	(251,329)	2,194,621
REVENUE:			
Investment return, net of expenses	1,391,082	544,847	1,935,929
Other income	52,398	-	52,398
TOTAL REVENUE	1,443,480	544,847	1,988,327
TOTAL SUPPORT AND OPERATING REVENUE	3,889,430	293,518	4,182,948
OPERATING EXPENSES:			
Program expenses:			
Global Community Development	1,555,529	-	1,555,529
Global Council	128,459	-	128,459
Communications	366,707	-	366,707
Education and Outreach	230,656	-	230,656
Environment	40,902	-	40,902
Total program services	2,322,253	-	2,322,253
Supporting services:			
Management and general	415,511	-	415,511
Foundation	51,993	-	51,993
Fundraising	396,880	-	396,880
Total supporting services	864,384	-	864,384
TOTAL OPERATING EXPENSES	3,186,637	-	3,186,637
CHANGE IN NET ASSETS	702,793	293,518	996,311
NET ASSETS, beginning of year	11,433,201	5,569,181	17,002,382
NET ASSETS, end of year	\$ 12,135,994	\$ 5,862,699	\$ 17,998,693

See notes to combined financial statements.

UNITED RELIGIONS
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And Its Affiliate

COMBINED STATEMENTS OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	Without Donor Restriction	With Donor Restrictions	Total
SUPPORT AND OPERATING REVENUE:			
SUPPORT:			
Grants and contributions	\$ 599,268	\$ 559,901	\$ 1,159,169
In-kind contributions	4,178	-	4,178
Fundraising event, net	189,535	-	189,535
Net assets released from restrictions	1,801,631	(1,801,631)	-
TOTAL SUPPORT	2,594,612	(1,241,730)	1,352,882
REVENUE:			
Investment return - net of expenses	1,790,653	439,528	2,230,181
Other income	35,315	-	35,315
TOTAL REVENUE	1,825,968	439,528	2,265,496
TOTAL SUPPORT AND OPERATING REVENUE	4,420,580	(802,202)	3,618,378
OPERATING EXPENSES:			
Program expenses:			
Global Community Development	1,743,497	-	1,743,497
Global Council	123,910	-	123,910
Communications	323,469	-	323,469
Education and Outreach	612,058	-	612,058
Environment	26,257	-	26,257
Peace Building	5,850	-	5,850
Total program services	2,835,041	-	2,835,041
Supporting services:			
Management and general	262,227	-	262,227
Foundation	30,719	-	30,719
Fundraising	461,845	-	461,845
Total supporting services	754,791	-	754,791
TOTAL OPERATING EXPENSES	3,589,832	-	3,589,832
CHANGE IN NET ASSETS	830,748	(802,202)	28,546
NET ASSETS, beginning of year	10,602,453	6,371,383	16,973,836
NET ASSETS, end of year	\$ 11,433,201	\$ 5,569,181	\$ 17,002,382

See notes to combined financial statements.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services					Supportive Services				Total
	Global Programs	Global Council	Communications	Education & Outreach	Environment	Total Program Services	Management & General	Foundation	Fundraising	
Personnel:										
Salaries	\$ 507,857	\$ 58,671	\$ 221,025	\$ 115,006	\$ 17,146	\$ 919,705	\$ 150,457	\$ 45,000	\$ 258,043	\$ 1,373,205
Severance	-	-	-	-	-	-	20,126	-	-	20,126
Payroll taxes	27,351	4,306	13,336	8,028	1,280	54,301	7,826	-	17,584	79,711
Employee benefits	79,008	15,562	39,747	23,182	3,462	160,961	26,869	-	53,759	241,589
Total personnel	614,216	78,539	274,108	146,216	21,888	1,134,967	205,277	45,000	329,386	1,714,629
Grants	640,840	-	-	-	-	640,840	-	-	-	640,840
Occupancy	102,286	24,548	16,365	14,319	10,228	167,746	16,700	-	20,456	204,902
Professional services	35,022	4,747	39,462	39,660	1,799	120,689	29,745	-	10,055	160,489
Depreciation and amortization	-	-	-	-	-	-	96,669	-	-	96,669
Miscellaneous	43,053	3,391	9,671	6,088	1,080	63,283	8,399	-	11,783	83,465
Other professional services	21,281	6,412	5,000	8,000	900	41,593	-	-	1,676	43,269
Accounting fees	16,709	2,912	3,113	2,349	1,161	26,244	2,912	5,000	3,844	38,000
Travel - Program	26,206	-	-	-	-	26,206	1,186	-	-	27,393
Printing and copying	1,788	134	10,528	9,678	47	22,175	252	-	3,016	25,443
Legal fees	-	-	-	-	-	-	22,329	-	-	22,329
Payroll fees	9,133	2,192	1,461	1,279	913	14,978	1,721	-	1,827	18,526
Travel - General	14,454	-	-	-	300	14,754	464	-	50	15,268
Postage and shipping	2,297	456	1,360	347	424	4,884	4,044	-	6,324	15,252
Bank fees	-	-	-	-	-	-	14,319	-	167	14,486
Events/Programs/COL	10,000	-	-	-	-	10,000	-	-	3,000	13,000
Insurance	4,132	789	2,353	1,291	206	8,771	1,379	-	2,632	12,782
Equipment rental and maintenance	5,279	1,267	845	739	528	8,658	845	-	1,056	10,558
Internet/Web	4,157	355	405	278	148	5,343	2,882	-	541	8,766
Supplies	1,861	1,333	681	139	-	4,013	2,778	-	188	6,979
Telephone	2,594	426	298	248	178	3,744	1,026	-	355	5,125
Taxes, licenses and fees	-	-	-	-	-	-	2,137	1,993	-	4,130
Meetings, workshops and training	176	948	81	25	705	1,935	447	-	104	2,487
Software purchase & maintenance	-	10	568	-	397	975	-	-	420	1,395
Dues and subscriptions	45	-	408	-	-	453	-	-	-	453
Total other expenses	941,313	49,920	92,599	84,440	19,014	1,187,286	210,234	6,993	67,494	1,472,009
Total functional expenses	\$ 1,555,529	\$ 128,459	\$ 366,707	\$ 230,656	\$ 40,902	\$ 2,322,253	\$ 415,511	\$ 51,993	\$ 396,880	\$ 3,186,637

See notes to combined financial statements.

UNITED RELIGIONS
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And Its Affiliate
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services						Supportive Services				
	Global Community Development	Global Council	Communications	Education & Outreach	Environment	Peace Building	Total Program Services	Management & General	Foundation	Fundraising	Total
Personnel:											
Salaries	\$ 615,234	\$ 55,913	\$ 150,641	\$ 132,718	\$ 4,575	\$ 4,274	\$ 963,355	\$ 67,088	\$ 25,000	\$ 310,814	\$ 1,366,257
Severance	9,000	-	-	-	-	-	9,000	-	-	5,035	14,035
Third party sick leave	-	-	380	-	-	-	380	-	-	-	380
Payroll taxes	33,023	3,736	9,993	8,987	310	273	56,322	7,273	-	21,281	84,876
Employee benefits	121,279	14,034	36,015	14,338	737	1,243	187,646	23,351	-	66,173	277,170
Total personnel	778,536	73,683	197,029	156,043	5,622	5,790	1,216,703	97,712	25,000	403,303	1,742,718
Grants	699,044	-	-	-	-	-	699,044	-	-	-	699,044
Global Conference	-	-	-	226,404	-	-	226,404	-	-	-	226,404
Occupancy	95,401	22,896	15,264	13,356	9,540	-	156,457	15,264	-	19,080	190,801
Events/Programs/COL	-	-	-	184,958	-	-	184,958	-	-	-	184,958
Depreciation	-	-	-	-	-	-	-	99,691	-	-	99,691
Professional services	14,337	4,329	59,344	1,981	1,415	-	81,406	1,330	-	7,268	90,004
Other professional services	63,678	1,008	-	-	-	-	64,686	2,867	-	-	67,553
Miscellaneous	229	3,968	11,904	22,485	1,323	-	39,909	8,023	719	9,258	57,909
Travel - General	31,673	5,995	-	-	3,726	-	41,394	-	-	554	41,948
Accounting fees	14,000	3,360	2,240	1,960	1,400	-	22,960	2,240	5,000	2,800	33,000
Printing and copying	1,949	354	17,495	128	92	-	20,018	1,324	-	228	21,570
Insurance	7,064	790	2,213	1,929	67	60	12,123	1,248	-	4,873	18,244
Meetings and Workshops, Training	5,923	1,321	8,209	-	-	-	15,453	1,617	-	1,128	18,198
Payroll fees	8,604	2,065	1,376	1,204	860	-	14,109	1,377	-	1,651	17,137
Equipment rental and maintenance	7,846	1,883	1,255	1,098	785	-	12,867	1,283	-	1,569	15,719
Bank fees	-	-	-	-	-	-	-	14,818	-	-	14,818
Travel - Program	9,329	-	-	-	1,061	-	10,390	-	-	-	10,390
Postage and shipping	2,244	406	261	228	163	-	3,302	1,333	-	5,642	10,277
Internet/Web	1,069	257	3,847	150	107	-	5,430	280	-	2,630	8,340
Supplies	138	1,365	1,049	-	-	-	2,552	4,953	-	824	8,329
Legal fees	-	-	-	-	-	-	-	5,111	-	-	5,111
Telephone	2,433	230	154	134	96	-	3,047	153	-	192	3,392
Software purchase & maintenance	-	-	1,829	-	-	-	1,829	-	-	-	1,829
Taxes, licenses and fees	-	-	-	-	-	-	-	1,378	-	125	1,503
Dues and subscriptions	-	-	-	-	-	-	-	225	-	720	945
Total other expenses	964,961	50,227	126,440	456,015	20,635	60	1,618,338	164,515	5,719	58,542	1,847,114
Total functional expenses	\$ 1,743,497	\$ 123,910	\$ 323,469	\$ 612,058	\$ 26,257	\$ 5,850	\$ 2,835,041	\$ 262,227	\$ 30,719	\$ 461,845	\$ 3,589,832

See notes to combined financial statements.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

COMBINED STATEMENTS OF CASH FLOWS

	<u>Year Ended</u> <u>December 31, 2020</u>	<u>Year Ended</u> <u>December 31, 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 996,311	\$ 28,546
Adjustments to reconcile change in net assets to net cash (provided) used by operating activities:		
Depreciation and amortization	96,669	99,691
Net realized and unrealized (gains) losses on investments	(1,726,562)	(2,001,423)
Donated stock	(9,078)	(114,267)
Donor restricted contributions held for long-term purposes	(537,299)	(105,175)
Changes in operating assets and liabilities:		
Pledges and other receivables	1,302,756	879,540
Other receivables	-	9,954
Prepaid expenses and other assets	(25,323)	4,021
Accounts payable and accrued expenses	32,288	53,847
Deferred revenue	10,966	(3,089)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	140,728	(1,148,355)
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CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(7,724)	-
Purchases of intangible assets	(31,230)	(129,570)
Purchases of securities	(6,703,980)	(4,694,322)
Interest and dividends reinvested	(222,568)	(150,632)
Proceeds from sales of investments	5,855,115	6,023,395
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,110,387)	1,048,871
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	275,735	-
Donor restricted contributions held for long-term purposes	537,299	105,175
	<hr/>	<hr/>
NET CASH PROVIDED BY FINANCING ACTIVITIES	813,034	105,175
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(156,625)	5,691
CASH AND CASH EQUIVALENTS, beginning of year	939,571	933,880
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, end of year	\$ 782,946	\$ 939,571
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See notes to combined financial statements.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 1. DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES:

With a purpose of promoting peace and mutual-understanding, URI's network has grown to some 1,050 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, United Religions Initiative (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 Zoom meetings. 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.

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NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 1. DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES (Continued):

URI Foundation, Inc.

The 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 20 years, URI has grown from 83 founding member organizations, called Cooperation Circles (CCs), to some 1,050 member groups in over 110 countries. Collectively, CCs have more than 600,000 members and touch the lives of millions of people around the world. 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 30-member Global Council, lead the URI network and are supported by 15 global support staff.

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NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 1. DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES (Continued):

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. Recently, URI was also awarded a monthly Google Ad grant to galvanize its online campaigns. Given fast-paced technological change, URI's Communications Team studies new systems, makes recommendations to URI, and recently launched a new website and integrated constituent relationship management platform (Salesforce).

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.

URI's website includes an interfaith teachers' curriculum for elementary and middle school students, as well as an extensive resource section. In addition to educational support, CC members, staff, team members, and the Global Council engage in strategic networking, both to share URI's work and to promote new partnerships to support the development of that work. Extensive work is underway in several regions to increase partnerships between CCs, other NGOs, government and civic groups to strengthen network support and resource sharing. URI actively works with several United Nations agencies and other like-minded non-profits to build effective partnerships between UN Development Goals and the work of CCs throughout the world. URI now has formal MOUs (Memorandums of Understanding) with the Office of Genocide Prevention at the United Nations, UNFPA (The United Nations Population Fund), the UN Environmental Program, UNESCO Chair for Peace and Intercultural Understanding, Malaviya Centre for Peace Research at Banaras Hindu University, the Council for the Parliament of the World's Religions, Arigatou International, Institute for Economics and Peace, International Center for Religions and Diplomacy, Launching Leaders, Religious Freedom and Business Foundation, the Foundation for Religious Literacy, The Charter for Compassion, Visionaries, Launching Leaders, The World Tolerance Summit, Unify and Unity Earth.

In Fall 2020, URI was profiled in the 24th season of The PBS series, the Visionaries, an award-winning television series. The episode featured URI's work in multiple nations.

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.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 1. DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES (Continued):

URI has a Youth Leadership Program (YLP) that attracts, educates, and develops capacities of youth and young adults as a next generation of compassionate and effective interfaith leaders. YLP facilitates leadership training for youth and young adults, including skill building in community mapping, project design, management and evaluation with a focus on service learning. YLP also organizes a year-long Youth Ambassadors Program that provides in-depth, experiential leadership opportunities culminating in a collaborative service project. YLP seeks to develop diverse and strong regional networks of young leaders, offering platforms for dialogue, best practice sharing and information exchange, as well as a way to build locally relevant interfaith programming that meets the specific needs of youth in each region.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following is a summary of the significant accounting policies followed in the preparation of the accompanying financial statements:

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., 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 Organization maintains its records using the accrual basis of accounting.

Financial statement presentation:

In accordance with Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities*, the Organization reports information regarding its financial position and its activities according to the following net asset classifications: Without donor restrictions (including board designated amounts) and with donor restrictions. Net assets with donor restrictions are reclassified to without donor restrictions upon satisfaction of the time or purpose restrictions.

On June 21, 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Update is effective to annual periods beginning after December 15, 2019. Early adoption is permitted. The Foundation has implemented ASU 2018-08 and has adjusted the presentation in these financial statements accordingly.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Cash and cash equivalents:

For purposes of the statement of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains its cash and money market account balances at financial institutions located in San Francisco, California. Such balances with any one institution may, at times, be in excess of federally insured amounts. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Investments:

Investments include marketable equity securities, mutual funds and bonds that are recorded at their published fair market value. Stock donations received at year end that have not been liquidated are valued at fair market value at the date of donation and adjusted to the fair market value at year end.

Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of those investments will occur in the near term and that such changes could materially affect the amounts reported on the statement of financial position.

Fair value:

Professional accounting standards establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under professional accounting standards are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fair value (continued):

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

Grants 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, 2020 and December 31, 2019. It is the Organization's policy to charge off uncollectible grant and pledge receivables when management determines the receivable will not be collected.

Equipment and improvements:

Equipment and improvements greater than \$1,500 purchased with estimated useful lives in excess of one year are capitalized at cost. Donated assets are capitalized at the fair market value on the date of receipt. Depreciation is computed on the straight-line method using estimated useful lives, generally over five years.

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.

Income tax status:

United Religions and the Foundation are recognized as public charities exempt from federal and California income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701 of the California Revenue and Taxation Code. Accordingly, no provision has been made for such taxes in the accompanying combined financial statements.

Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization pools common costs that benefit all its activities and allocates them to all activities based on the estimated amount of time spent by staff in each activity. Salaries and related expenses were allocated based on estimated employee time worked in each activity.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

In-kind contributions:

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

- 1) Create or enhance a non-financial asset or,
- 2) Would typically need to be purchased by the Organization if they had not been provided by contribution; they require special skills and are provided by individuals with those skills. During the years ended December 31, 2020 and December 31, 2019, the Organization recognized \$18,328 and \$4,178, respectively, in contributed goods and services.

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

Recent accounting pronouncements:

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard will supersede much of the existing authoritative literature for leases. This guidance requires lessees, among other things, to recognize right-of-use assets and liabilities on their Statement of Financial Position for all leases with lease terms longer than twelve months. The standard will be effective for non-public business entities for fiscal years beginning after December 15, 2020 with early application permitted. The Organization is currently evaluating the impact this guidance will have on its financial statements.

Date of management's review:

Management has evaluated events through April 22, 2022, the date which the financial statements were available for issue. Management has concluded that there were no subsequent events required to be disclosed or recognized in the financial statements.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 3. NATURE 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 certain reported amounts of assets and disclosures. Accordingly, actual results could differ from those estimates.

Note 4. CONCENTRATIONS:

During the year ended December 31, 2020, the Organization had one donor who accounted for 77% of the pledges receivable and two donors who accounted for 60% of public support. During the year ended December 31, 2019, the Organization had two donors who accounted for 72% of the pledges receivable and three donors who accounted for 22% of public support.

Note 5. LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at December 31:

	2020	2019
Cash and cash equivalents	\$ 782,946	939,571
Investments	3,112	4,378
Pledges receivable - current portion	1,174,990	1,341,408
Other receivables	-	1,574
Investments - strategic reserve portion	1,351,235	613,967
Endowment spending availability:		
Board designated quasi-endowment at 5%	544,845	499,828
Restricted endowment funds at 4%	148,759	101,930
Less donor-imposed restricted amount	(140,000)	(200,000)
Financial assets available	\$ 3,865,887	\$ 3,302,656

Note 6. PLEDGES RECEIVABLE:

Pledges receivable consist of the following at December 31:

December 31, 2020	Current	Due in 2 - 5 Years	Total
Donor restricted:			
Time-restricted	\$ 1,174,990	\$ 105,849	\$ 1,280,839
Totals	\$ 1,174,990	\$ 105,849	\$ 1,280,839

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 6. PLEDGES RECEIVABLE (CONTINUED):

<u>December 31, 2019</u>	<u>Current</u>	<u>Due in 2 - 5 Years</u>	<u>Total</u>
Donor restricted:			
Time-restricted	\$ 1,341,408	\$ 1,428,955	\$ 2,770,363
Discount to net present value	<u>-</u>	<u>(188,342)</u>	<u>(188,342)</u>
Totals	<u>\$ 1,341,408</u>	<u>\$ 1,240,613</u>	<u>\$ 2,582,021</u>

Pledges receivable due after December 31, 2020 and December 31, 2019 are stated at their net present values. Management has discounted these promises to give based on discount rates that range from 2.59% to 1.58%, depending on the applicable U.S. Treasury rate at the time of the pledge. The present value discount will be recognized in income as a contribution over the period from the date the promise was made to the date of collection.

Note 7. INVESTMENTS AND FAIR VALUE MEASUREMENTS:

The major categories of assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2020 and December 31, 2019 consist of investments. An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following tables set forth, by level, the fair value hierarchy of the Organization's assets at fair value at December 31, 2020 and 2019, respectively:

<u>2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 1,604,488	\$ -	\$ -	\$ 1,604,488
Fixed income securities	-	2,302,640	-	2,302,640
Mutual funds - bonds	1,551,783	-	-	1,551,783
Equities	4,628,378	-	-	4,628,378
Mutual funds - equities	5,442,947	-	-	5,442,947
REIT	42,185	-	-	42,185
Interest in LLC	-	-	647,810	647,810
Total assets at fair value	<u>\$ 13,269,781</u>	<u>\$ 2,302,640</u>	<u>\$ 647,810</u>	<u>\$ 16,220,231</u>

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 7. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED):

2019	Level 1	Level 2	Level 3	Total
Cash and Money Market	\$ 1,022,458	\$ -	\$ -	\$ 1,022,458
Fixed income securities	-	1,927,070	-	1,927,070
Mutual funds - bonds	733,086	-	-	733,086
Equities	5,061,568	-	-	5,061,568
Mutual funds - equities	3,562,674	-	-	3,562,674
REIT	37,670	-	-	37,670
Interest in LLC	-	-	568,632	568,632
Interest in real estate lending fund	-	-	500,000	500,000
Total assets at fair value	<u>\$ 10,417,456</u>	<u>\$ 1,927,070</u>	<u>\$ 1,068,632</u>	<u>\$ 13,413,158</u>

Investment income consisted of the following for the years ended December 31, 2020 and 2019:

	December 31,	
	2020	2019
Interest and dividends	\$ 317,937	\$ 334,564
Realized gains	50,848	438,523
Unrealized gains	1,675,714	1,562,900
Investment fees	(108,570)	(105,806)
Totals	<u>\$ 1,935,929</u>	<u>\$ 2,230,181</u>

Level 3 Gains and Losses: The Level 3 investments include holdings in Keystone Real Estate Lending Fund, LLC and in Kabouter International Insight Fund, LLC. 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 for the year ended December 31, 2020:

Balance, beginning of year	\$ 1,068,632
Contributions	-
Withdrawals	(513,946)
Interest and dividends	13,946
Fees and taxes	(5,476)
Unrealized gain	84,654
Balance, end of year	<u>\$ 647,810</u>

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 8. EQUIPMENT AND IMPROVEMENTS:

Equipment and improvements consist of the following at December 31:

	2020	2019
Furniture and equipment	\$ 166,247	\$ 158,524
Leasehold improvements	11,747	11,747
	177,994	170,271
Less: accumulated depreciation	(170,807)	(169,632)
Totals	\$ 7,187	\$ 639

Depreciation expense for the years ended December 31, 2020 and December 31, 2019 was \$1,176 and \$16,322, respectively.

Note 9. INTANGIBLE ASSETS:

Intangible assets consist of the following at December 31:

	2020	2019
Video content	\$ 400,557	\$ 369,327
Website developments costs	217,483	217,483
Database	82,311	82,311
	700,351	669,121
Less accumulated amortization	(597,548)	(502,055)
Totals	\$ 102,803	\$ 167,066

Amortization expense for the years ended December 31, 2020 and December 31, 2019 amounted to \$95,493 and \$83,370, respectively. Future amortization expense of intangibles is expected to be as follows:

Year Ending December 31,		
2021	\$	65,989
2022		32,005
2023		4,809
Total	\$	102,803

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 10. 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 loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness may be reduced if the borrower terminates employees or reduces salaries during the 24-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. At December 31, 2020, the statements of financial position reflects a current portion of \$32,847 and a long-term portion of \$242,888..

Management believes it used the proceeds for purposes which met the PPP requirements for forgiveness of the loan. A final determination of the forgiven amount will be made by the Small Business Administration.

Note 11. 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, 2020 and 2019, respectively.

	2020	2019
Available for operations	\$ 249,383	\$ 822,666
Board designated quasi-endowment	10,896,909	9,996,568
Board designated strategic reserve	1,351,235	613,967
(Donor restricted funds held in Strategic Reserve)	(361,533)	-
Total board designated	11,886,611	10,610,535
Total net assets without donor restriction	\$ 12,135,994	\$ 11,433,201

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 11. NET ASSETS WITHOUT DONOR RESTRICTIONS (Continued):

Changes in board designated net assets for the years ended December 31, 2020 and 2019, respectively:

	<u>2020</u>	<u>2019</u>
Board designated net assets, beginning	\$ 10,610,535	\$ 10,291,783
Contributions	1,333,002	620,000
Investment return	275,408	202,264
Net realized and unrealized gains	1,202,874	1,676,336
Transfers	12,707	-
Fees	(83,930)	(88,007)
Expenditures	<u>(1,463,985)</u>	<u>(2,091,841)</u>
Board designated net assets, ending	<u>\$ 11,886,611</u>	<u>\$ 10,610,535</u>

Note 12. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consisted of the following at December 31, 2020:

	<u>December 31,</u> <u>2019</u>	<u>Contributions</u> <u>and Income</u>	<u>Released from</u> <u>Restrictions</u>	<u>December 31,</u> <u>2020</u>
Endowment funds - corpus	\$ 2,671,229	\$ 537,299	\$ -	\$ 3,208,528
Endowment funds-earnings	298,575	544,847	(82,977)	760,445
Time-restricted:				
Davidson	257,192	53,080	(119,224)	191,048
Marcus	1,850,271	149,729	(1,000,000)	1,000,000
McQuown	192,914	7,086	(100,000)	100,000
Miscellaneous	54,405	-	(30,155)	24,250
Strategic Reserves	190,720	-	(37,700)	153,020
Strategic Reserves - D & C	14,132	-	-	14,132
Kramer- Membership	-	485,000	(123,467)	361,533
Kramer - COL	-	10,000	-	10,000
Ambassador Fund	15,268	-	-	15,268
Peggy Olsen Fund	12,225	-	-	12,225
Semel fund	500	-	-	500
Travelling Peace Academy	10,000	-	-	10,000
Porticus	-	22,300	(22,300)	-
Elder - Youth Initiative	1,750	-	-	1,750
URI-Africa	-	600	(600)	-
URI - Asia	-	4,121	(4,121)	-
URI - MENA	-	600	(600)	-
URI-North America	-	4,121	(4,121)	-
URI - YLP	-	1,000	(1,000)	-
URI - Voices	-	1,000	(1,000)	-
Totals	<u>\$ 5,569,181</u>	<u>\$ 1,820,783</u>	<u>\$ (1,527,265)</u>	<u>\$ 5,862,699</u>

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 12. NET ASSETS WITH DONOR RESTRICTIONS (Continued):

Net assets with donor restrictions consisted of the following at December 31, 2019:

	December 31, 2018	Contributions and Income	Released from Restrictions	December 31, 2019
Endowment funds - corpus	\$ 2,528,945	\$ 142,284	\$ -	\$ 2,671,229
Endowment funds-earnings	187,109	439,528	(328,062)	298,575
Time-restricted:				
Davidson	-	296,920	(39,728)	257,192
Lurie	100,000	-	(100,000)	-
Marcus	2,806,745	43,526	(1,000,000)	1,850,271
McQuown	188,133	4,781	-	192,914
Miscellaneous	10,613	48,300	(4,508)	54,405
Strategic Reserves	190,720	-	-	190,720
Strategic Reserves - D & C	14,132	-	-	14,132
General Strategic Reserves	-	20,125	(20,125)	-
President's Council	305,243	-	(305,243)	-
Ambassador Fund	15,268	-	-	15,268
Peggy Olsen Fund	12,225	-	-	12,225
Semel fund	500	-	-	500
Travelling Peace Academy	10,000	-	-	10,000
Elder - Youth Initiative	1,750	-	-	1,750
URI - Asia	-	2,465	(2,465)	-
URI - MENA	-	1,000	(1,000)	-
URI - YLP	-	500	(500)	-
	<u>\$ 6,371,383</u>	<u>\$ 999,429</u>	<u>\$ (1,801,631)</u>	<u>\$ 5,569,181</u>

Note 13. ENDOWMENT FUND:

The Organization has three donor restricted endowment funds. The Bowes Award, in the amount of \$250,000, is restricted such that income may be used only for providing cash awards to Cooperation Circles (the "Bowes Award"). The second, in the amount of \$2,431,528, is the Charlotte and George Schultz Fund for Hospitality and Diplomacy. Income from this fund may be used for meetings of the Global Staff and the Global Council. The third, in the amount of \$527,000, is a general endowment award. Income from it may be used for permissible purposes of the Organization. All three funds are classified as permanently restricted.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 13. ENDOWMENT FUND (Continued):

Interpretation of relevant law - The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (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, there is one class of donor restricted endowment net assets. The endowment funds corpus includes original and subsequent donations, and accumulations of net income to the permanent endowment when prescribed by the donor. The remaining net income portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in accordance with the Foundation's spending policy. The amounts allocated to funds with deficiencies are classified as net assets with donor restrictions.

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 purposes 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.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies at December 31, 2020 and 2019.

Investment Return Objectives and Risk Parameters – The investment objective for funds of the Organization allocated to "endowment" by the Global Council is to achieve the highest return for the risk deemed appropriate by the Investment Committee. In assessing risk, the Investment Committee should assume that the Organization's investment horizon stretches into perpetuity and its need for liquidity is limited.

Except in those circumstances in which doing so would cause the endowment to incur outsized risk, the Investment Committee shall, at a minimum, strive to achieve returns that maintain the Endowment's purchasing power after disbursements. Specifically, the Endowment's annual return should match or exceed the inflation rate associated with non-profit organizations plus the rate of endowment spending.

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.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 13. ENDOWMENT FUND (Continued):

Spending policy and how the investment objectives relate to spending policy – The Organization's investment policy provides for a conservative stream of income to preserve the value of the corpus in perpetuity. Authorized expenditures shall be no greater than 5% of the total market value of the respective three endowments in any fiscal year.

Changes in endowment net assets for the year ended December 31, 2020:

Endowment net assets, January 1, 2020	\$ 2,969,800
Contributions	537,299
Transfers	3,345
Releases	(63,008)
Interest and dividends	106,089
Net gains (realized and unrealized)	438,757
Fees	<u>(23,309)</u>
Endowment net assets, December 31, 2020	<u>\$ 3,968,973</u>

Changes in endowment net assets for the year ended December 31, 2019:

Endowment net assets, January 1, 2019	\$ 2,716,054
Contributions	105,175
Releases	(290,959)
Interest and dividends	72,392
Net gains (realized and unrealized)	385,664
Fees	<u>(18,526)</u>
Endowment net assets, December 31, 2019	<u>\$ 2,969,800</u>

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 14. FUNDRAISING EVENT:

The following is a summary of revenues and expenses related to the 2020 and 2019 Circle of Light events:

	December 31,	
	2020	2019
Revenues and contributions:		
Donations	\$ 130,550	\$ 85,039
In-kind donation	-	-
Sponsorships and revenue	-	205,362
Total revenues and contributions	130,550	290,401
Less expenses	(44,144)	(100,866)
Net income from fundraising event	\$ 86,406	\$ 189,535

Note 15. 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, 2020 and December 31, 2019 amounted to \$38,338 and \$35,388, 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, 2020 and March 31, 2019 (the Plan year) were 9% of the participant's compensation. Selected information regarding the Plan are as follows:

	March 31,	
	2020	2019
Net assets available for benefits	\$ 165,524,173	\$ 185,257,809
Actuarial present value of accumulated plan benefits	\$ 240,746,000	\$ 213,387,000
Indicated level of funding	75%	75%

The Plan is not required to file Form 5500; therefore, certain information is not required to be made available publicly. If the Organization withdraws its participation in the Plan, the Organization is not subject to withdrawal liability under the current terms of the Plan. To the extent that the Plan is underfunded, the Organization's future contributions to the Plan may increase to cover retirement benefits of employees of other organizations participating in the Plan.

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, 2020 and December 31, 2019 amounted to \$67,264 and \$75,365, respectively.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS -
DECEMBER 31, 2020 AND DECEMBER 31, 2019

Note 16. COMMITMENTS:

The Organization leases office space in San Francisco under a lease which expires in April 2023. The lease is shared with another organization, with each having joint liability. Monthly payments under the lease are \$18,040. The Organization's one-half share of minimum annual payments required under the lease is as follows:

<u>Year Ending</u> <u>December 31,</u>		
2021	\$	130,519
2022		108,237
2023		<u>27,059</u>
	\$	<u>265,815</u>

Total rent expense (including building operating expenses) for the years ended December 31, 2020 and December 31, 2019 amounted to \$204,902 and \$190,801, respectively.

Note 17. 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 18. COVID-19 IMPACT:

The COVID-19 pandemic has resulted in changes to the Organization's operations, including working remotely and utilizing virtual platforms. The Organization has adapted and has maintained many of its programs. The extent of the continuing impact of COVID-19 on the Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and impact on donors, all of which are uncertain and cannot be predicted.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

SUPPLEMENTARY INFORMATION

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate

COMBINING STATEMENT OF FINANCIAL POSITION – DECEMBER 31, 2020

<u>ASSETS</u>	United Religions Initiative	United Religions Initiative Foundation	Eliminations	Total
CURRENT:				
Cash and cash equivalents	\$ 782,946	\$ -	\$ -	\$ 782,946
Investments	3,112	-	-	3,112
Current portion of pledges receivable	174,990	1,000,000	-	1,174,990
Due to/ from URI	-	-	-	-
Other receivables	-	-	-	-
Prepaid expenses and other assets	73,147	-	-	73,147
TOTAL CURRENT ASSETS	1,034,195	1,000,000	-	2,034,195
LONG-TERM:				
Investments restricted for long-term purposes	-	16,217,117	-	16,217,117
Investments held by Foundation	539,568	-	(539,568)	-
Pledges receivable	105,849	-	-	105,849
Equipment and improvements, net	7,187	-	-	7,187
Intangible assets, net	102,803	-	-	102,803
Beneficial interest in Foundation	16,677,551	-	(16,677,551)	-
Deposits	17,094	-	-	17,094
TOTAL ASSETS	\$ 18,484,247	\$ 17,217,117	\$ (17,217,117)	\$ 18,484,247
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 86,752	\$ -	\$ -	\$ 86,752
Payroll Protection Program loan- current portion	32,847	-	-	32,847
Accrued vacation	110,190	-	-	110,190
Deferred revenue	12,877	-	-	12,877
TOTAL CURRENT LIABILITIES	242,666	-	-	242,666
LONG-TERM:				
Payroll Protection Program loan	242,888	-	-	242,888
Investments held for Initiative	-	539,568	(539,568)	-
TOTAL LIABILITIES	485,554	539,568	(539,568)	485,554
NET ASSETS:				
Without restrictions	12,135,994	11,708,576	(11,708,576)	12,135,994
With restrictions	5,862,699	4,968,973	(4,968,973)	5,862,699
TOTAL NET ASSETS	17,998,693	16,677,549	(16,677,549)	17,998,693
TOTAL LIABILITIES AND NET ASSETS	\$ 18,484,247	\$ 17,217,117	\$ (17,217,117)	\$ 18,484,247

See notes to combined financial statements.

UNITED RELIGIONS
(dba UNITED RELIGIONS INITIATIVE)
And Its Affiliate
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	United Religions Initiative	United Religions Initiative Foundation	Eliminations	Total
OPERATING REVENUE AND SUPPORT:				
Grants and contributions	\$ 1,412,857	\$ 677,029	\$ -	\$ 2,089,886
Grant income from URI Foundation	1,444,128	-	(1,444,128)	-
In-kind contributions	18,329	-	-	18,329
Fundraising event income - net of expenses of \$44,144	86,406	-	-	86,406
Investment return, net of expenses	51,315	1,884,614	-	1,935,929
Other income	52,398	-	-	52,398
Equity in net earnings of Foundation	1,075,522	-	(1,075,522)	-
TOTAL OPERATING REVENUE AND SUPPORT	4,140,955	2,561,643	(2,519,650)	4,182,948
OPERATING EXPENSES:				
Program Services:				
Global community development	1,555,529	-	-	1,555,529
Global council	128,459	-	-	128,459
Communications	366,707	-	-	366,707
Education and outreach	230,656	-	-	230,656
Environment	40,902	-	-	40,902
Grant payment to URI Foundation	-	1,444,128	(1,444,128)	-
Total program services	2,322,253	1,444,128	(1,444,128)	2,322,253
Supporting Services:				
Management and general Foundation	415,511	-	-	415,511
Fundraising	-	51,993	-	51,993
	396,880	-	-	396,880
Total supporting services	812,391	51,993	-	864,384
TOTAL OPERATING EXPENSES	3,134,644	1,496,121	(1,444,128)	3,186,637
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	1,006,311	1,065,522	(1,075,522)	996,311
OTHER CHANGES IN NET ASSETS:				
Transfer of assets to URI Foundation	(10,000)	10,000	-	-
INCREASE IN NET ASSETS	996,311	1,075,522	(1,075,522)	996,311
NET ASSETS, beginning of year	17,002,382	15,811,459	(15,811,459)	17,002,382
RECLASSIFICATION OF CONTRIBUTION	-	(209,432)	209,432	-
NET ASSETS, end of year	\$ 17,998,693	\$ 16,677,549	\$ (16,677,549)	\$ 17,998,693

See notes to combined financial statements.