



Financial Statements

for the year ending June 30, 2025



Unitarian Universalist Service Committee

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UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Financial Statements

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Independent Auditors' Report

The Board of Trustees
Unitarian Universalist Service Committee
Cambridge, Massachusetts

Opinion

We have audited the financial statements of Unitarian Universalist Service Committee ("UUSC"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UUSC as of June 30, 2025 and 2024, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UUSC 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 the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 UUSC's ability to continue as a going concern for 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 UUSC'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 UUSC'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.

CBIZ CPAs P.C.

Boston, Massachusetts
October 21, 2025

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Statements of Financial Position

	June 30,	
	2025	2024
Assets		
Cash and cash equivalents:		
Cash	\$ 1,906,383	\$ 1,806,559
Money market funds	<u>3,308,919</u>	<u>6,062,823</u>
Total cash and cash equivalents	5,215,302	7,869,382
Accounts and interest receivable, net	422,305	265,763
Prepaid expenses and other assets	207,730	135,040
Mission related loan receivable	49,097	56,890
Pledges and grants receivable, net	1,050,000	1,072,421
Investments	36,715,897	34,776,502
Right-of-use asset	1,217,809	1,377,389
Property and equipment, net	<u>346,927</u>	<u>364,671</u>
Total assets	\$ <u>45,225,067</u>	\$ <u>45,918,058</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 1,057,886	\$ 678,526
Accrued compensation	273,234	304,505
Right-of-use liability	1,048,131	1,018,790
Pooled income deferred revenue	27,419	27,722
Donor advance - promissory notes	125,000	125,000
Gift annuities and trust agreements	<u>302,804</u>	<u>350,877</u>
Total liabilities	<u>2,834,474</u>	<u>2,505,420</u>
Net assets:		
Without donor restrictions	28,868,379	30,483,324
With donor restrictions	<u>13,522,214</u>	<u>12,929,314</u>
Total net assets	<u>42,390,593</u>	<u>43,412,638</u>
Total liabilities and net assets	\$ <u>45,225,067</u>	\$ <u>45,918,058</u>

See the accompanying Notes to Financial Statements.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Statement of Activities

Year Ended June 30, 2025
(with comparative totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating support and revenue				
Public support:				
Contributions	\$ 6,778,940	\$ 663,969	\$ 7,442,909	\$ 6,753,892
Matching grant	-	850,000	850,000	850,000
Foundations	287,436	344,210	631,646	1,049,758
	7,066,376	1,858,179	8,924,555	8,653,650
Revenue:				
Lease income and other	199,739	-	199,739	390,785
	199,739	-	199,739	390,785
Appropriations:				
Bequests appropriated	2,484,887	-	2,484,887	1,250,000
Special appropriations from board designated funds	2,035,760	-	2,035,760	1,100,000
Investment return appropriated	1,180,992	-	1,180,992	1,017,331
	5,701,639	-	5,701,639	3,367,331
Total operating support and revenue	12,967,754	1,858,179	14,825,933	12,411,766
Net assets released from restrictions				
Satisfaction of program restrictions	2,016,521	(2,016,521)	-	-
	2,016,521	(2,016,521)	-	-
Total operating support and revenue and net assets released from restrictions	14,984,275	(158,342)	14,825,933	12,411,766
Expenses				
Program services	11,922,132	-	11,922,132	10,321,504
Fundraising	773,262	-	773,262	816,044
Management	1,496,209	-	1,496,209	1,286,057
Total expenses	14,191,603	-	14,191,603	12,423,605
Income (loss) from operations	792,672	(158,342)	634,330	(11,839)
Non-operating activity				
Bequests in excess of amount appropriated	(1,538,445)	-	(1,538,445)	(189,005)
Special appropriations from board designated funds	(2,035,760)	-	(2,035,760)	(1,100,000)
Investment return net of amounts appropriated and investment fees	1,162,464	760,367	1,922,831	1,453,364
Property held for sale - net realized gain and tax refund on building sale	(303)	-	(303)	96,425
Change in value of split-interest gifts and transfer upon demise	4,427	(9,125)	(4,698)	(29,124)
Total net non-operating activity	(2,407,617)	751,242	(1,656,375)	231,660
Change in net assets	(1,614,945)	592,900	(1,022,045)	219,821
Net assets, beginning of year	30,483,324	12,929,314	43,412,638	43,192,817
Net assets, end of year	\$ 28,868,379	\$ 13,522,214	\$ 42,390,593	\$ 43,412,638

See the accompanying Notes to Financial Statements.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Statement of Activities

Year Ended June 30, 2024

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Operating support and revenue			
Public support:			
Contributions	\$ 5,716,318	\$ 1,037,574	\$ 6,753,892
Matching grant	-	850,000	850,000
Foundations	275,066	774,692	1,049,758
	<u>5,991,384</u>	<u>2,662,266</u>	<u>8,653,650</u>
Revenue:			
Lease income and other	390,785	-	390,785
	<u>390,785</u>	<u>-</u>	<u>390,785</u>
Appropriations:			
Bequests appropriated	1,250,000	-	1,250,000
Special appropriation from board designated funds	1,100,000	-	1,100,000
Investment return appropriated	1,017,331	-	1,017,331
	<u>3,367,331</u>	<u>-</u>	<u>3,367,331</u>
Total operating support and revenue	<u>9,749,500</u>	<u>2,662,266</u>	<u>12,411,766</u>
Net assets released from restrictions			
Satisfaction of program restrictions	2,678,258	(2,678,258)	-
	<u>2,678,258</u>	<u>(2,678,258)</u>	<u>-</u>
Total operating support and revenue and net assets released from restrictions	<u>12,427,758</u>	<u>(15,992)</u>	<u>12,411,766</u>
Expenses			
Program services	10,321,504	-	10,321,504
Fundraising	816,044	-	816,044
Management	1,286,057	-	1,286,057
Total expenses	<u>12,423,605</u>	<u>-</u>	<u>12,423,605</u>
Income (loss) from operations	<u>4,153</u>	<u>(15,992)</u>	<u>(11,839)</u>
Non-operating activity			
Bequests in excess of amount appropriated	(189,005)	-	(189,005)
Special appropriations from board designated funds	(1,100,000)	-	(1,100,000)
Investment return net of amounts appropriated and investment fees	998,462	454,902	1,453,364
Property held for sale - net realized gain on building sale	96,425	-	96,425
Change in value of split-interest gifts and transfer upon demise	6,522	(35,646)	(29,124)
Total net non-operating activity	<u>(187,596)</u>	<u>419,256</u>	<u>231,660</u>
Change in net assets	<u>(183,443)</u>	<u>403,264</u>	<u>219,821</u>
Net assets, beginning of year	30,666,767	12,526,050	43,192,817
Net assets, end of year	<u>\$ 30,483,324</u>	<u>\$ 12,929,314</u>	<u>\$ 43,412,638</u>

See the accompanying Notes to Financial Statements.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Statement of Functional Expenses

*Year Ended June 30, 2025
(with comparative totals for 2024)*

	<i>Program Services</i>					<i>Supporting Services</i>		<i>2025 Total</i>	<i>2024 Total</i>
	<i>Climate Justice/ Environmental Justice</i>	<i>Migrant Justice</i>	<i>Crisis Response</i>	<i>College of Social Justice</i>	<i>Total</i>	<i>Fundraising</i>	<i>Management</i>		
Salaries and fringe	\$ 2,673,632	\$ 1,503,073	\$ 1,160,364	\$ 716,573	\$ 6,053,642	\$ 348,736	\$ 1,178,227	\$ 7,580,605	\$ 6,798,868
Program grants	1,355,909	762,270	885,468	854	3,004,501	-	-	3,004,501	1,808,624
Designated/emergency relief grants	-	-	225,000	-	225,000	-	-	225,000	425,750
Professional fees	620,017	348,563	269,089	53,187	1,290,856	206,572	156,583	1,654,011	1,331,507
Printing and publication	102,932	57,867	44,673	1,358	206,830	34,386	216	241,432	363,833
Travel	228,933	128,702	99,358	34,590	491,583	28,875	3,437	523,895	759,214
Depreciation and amortization	17,940	10,085	7,786	-	35,811	8,953	14,921	59,685	22,723
Postage and delivery	68,621	38,578	29,782	-	136,981	22,924	144	160,049	274,669
Occupancy	21,359	12,008	9,270	-	42,637	10,659	17,765	71,061	66,822
Supplies	8,623	4,848	3,742	7,263	24,476	5,174	4,577	34,227	26,224
Communication	17,183	9,660	7,457	191	34,491	7,867	13,112	55,470	62,736
Staff development	10,722	6,028	4,654	662	22,066	1,807	27,842	51,715	41,594
Rent	61,529	34,591	26,704	2	122,826	34,502	47,230	204,558	195,341
Insurance	22,351	12,566	9,701	-	44,618	11,118	18,530	74,266	72,853
Lockbox and bank fees	7,074	3,977	3,070	8	14,129	51,421	3,823	69,373	84,829
Miscellaneous	34,239	19,249	14,859	103,338	171,685	268	9,802	181,755	88,018
	<u>\$ 5,251,064</u>	<u>\$ 2,952,065</u>	<u>\$ 2,800,977</u>	<u>\$ 918,026</u>	<u>\$ 11,922,132</u>	<u>\$ 773,262</u>	<u>\$ 1,496,209</u>	<u>\$ 14,191,603</u>	<u>\$ 12,423,605</u>

See the accompanying Notes to Financial Statements.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services					Supporting Services		Total
	<i>Climate Justice/ Environmental Justice</i>	<i>Migrant Justice</i>	<i>Crisis Response</i>	<i>College of Social Justice</i>	<i>Total</i>	<i>Fundraising</i>	<i>Management</i>	
Salaries and fringe	\$ 1,879,921	\$ 1,365,575	\$ 1,638,648	\$ 556,476	\$ 5,440,620	\$ 317,220	\$ 1,041,028	\$ 6,798,868
Program grants	596,559	365,557	841,153	5,355	1,808,624	-	-	1,808,624
Designated/emergency relief grants	65,000	115,000	245,750	-	425,750	-	-	425,750
Professional fees	376,378	273,401	328,073	71,598	1,049,450	173,831	108,226	1,331,507
Printing and publication	117,719	85,511	102,610	2,869	308,709	53,746	1,378	363,833
Travel	242,836	176,396	211,670	19,655	650,557	100,965	7,692	759,214
Depreciation and amortization	4,429	3,217	3,860	3,545	15,051	2,877	4,795	22,723
Postage and delivery	90,265	65,568	78,680	-	234,513	40,156	-	274,669
Occupancy	13,453	9,772	11,726	8,636	43,587	8,713	14,522	66,822
Supplies	4,942	3,590	4,308	4,695	17,535	4,818	3,871	26,224
Communication	12,964	9,417	11,300	9,183	42,864	7,452	12,420	62,736
Staff development	5,234	3,802	4,562	1,039	14,637	6,217	20,740	41,594
Rent	38,171	27,727	33,272	29,472	128,642	24,500	42,199	195,341
Insurance	14,327	10,407	12,490	11,247	48,471	9,143	15,239	72,853
Lock box and bank fees	5,835	4,238	6,338	6	16,417	65,553	2,859	84,829
Miscellaneous	27,265	19,804	23,765	5,243	76,077	853	11,088	88,018
	\$ 3,495,298	\$ 2,538,982	\$ 3,558,205	\$ 729,019	\$ 10,321,504	\$ 816,044	\$ 1,286,057	\$ 12,423,605

See the accompanying Notes to Financial Statements.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Statements of Cash Flows

	Years Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Changes in net assets	\$ (1,022,045)	\$ 219,821
Adjustments to reconcile the change in net assets to net cash used in operating activities:		
Interest and dividends, reinvested	(590,170)	(487,296)
Depreciation and amortization	59,685	22,723
Realized and unrealized gains on investments	(2,694,981)	(2,137,127)
Net contributions to endowments	5,200	(7,175)
Non-cash operating lease obligation	29,341	28,597
Changes in:		
Accounts and interest receivable	(156,542)	(278)
Prepaid expenses and other assets	(72,690)	(16,941)
Mission related loan receivable	7,793	8,572
Pledges and grants receivable, net	22,421	47,511
Right-of-use asset	159,580	160,325
Accounts payable and accrued expenses	379,360	(355,180)
Accrued compensation	(31,271)	7,391
Pooled income deferred revenue	(303)	(4,707)
Gift annuities and trust agreement obligations	(48,073)	(66,615)
Total adjustments	<u>(2,930,650)</u>	<u>(2,800,200)</u>
Net cash used in operating activities	<u>(3,952,695)</u>	<u>(2,580,379)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(41,941)	(218,004)
Purchase of investments	-	(2,542,251)
Proceeds from the sale of investments	<u>1,345,756</u>	<u>202,916</u>
Net cash provided by (used in) investing activities	<u>1,303,815</u>	<u>(2,557,339)</u>
Cash flows from financing activities:		
Net contributions to endowments	<u>(5,200)</u>	<u>7,175</u>
Net cash (used in) provided by financing activities	<u>(5,200)</u>	<u>7,175</u>
Net decrease in cash and cash equivalents	(2,654,080)	(5,130,543)
Cash and cash equivalents, beginning of year	<u>7,869,382</u>	<u>12,999,925</u>
Cash and cash equivalents, end of year	\$ <u><u>5,215,302</u></u>	\$ <u><u>7,869,382</u></u>

See the accompanying Notes to Financial Statements.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

The Unitarian Universalist Service Committee (“UUSC”) is a voluntary not-for-profit organization headquartered in the United States which seeks to support a more just and humane society. UUSC has programs throughout the world and is supported primarily through donor contributions, grants, foundations and bequests.

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

These statements have been prepared on the accrual basis following accounting principles and reporting requirements that are generally accepted for not-for-profit entities in the United States of America.

Classification of Net Assets

UUSC reports Information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for general use and not subject to donor restrictions. Included in net assets without donor restrictions are board-designated funds which are funds set aside by the Board of Trustees for strategic purposes and to provide investment income to support operations. These amounts may only be used with the approval of the Board of Trustees. Net assets without donor restrictions also include investment in plant, which represents the portion of expendable funds invested in UUSC’s property and equipment, net of accumulated depreciation and related debt, used in its operations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Generally, the income earned from these investments is available for program operations unless restricted by the donor.

Operations

The statement of activities reports the changes in net assets without donor restrictions and net assets with donor restrictions from operating and non-operating activities. Non-operating activities consist of investment return net of amounts appropriated and investment fees, bequests in excess of amount appropriated, gains and refunds on property held for sale and change in value of split-interest gifts and transfer upon demise. All other activities are considered operating.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents represent highly liquid debt instruments, bank deposits and other such accounts with original maturities of three months or less. Such accounts are carried at cost plus earned interest. Balances at times exceed insured limits. UUSC monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts. Cash and cash equivalents held by investment managers are considered part of investments. Included in cash and cash equivalents are funds with donor restrictions in the amount of \$2,078,957 and \$2,220,078 as of June 30, 2025 and 2024, respectively.

Mission Related Loan Receivable

UUSC has a loan receivable from an overseas program partner at 0% interest with final payment due in June 2030.

Pledges and Grants Receivable

Pledges receivable represent contributions verifiably committed by donors that are scheduled for payment in the future. They are initially recorded at fair value using Level 2 inputs as described in fair value measurement policies later in this section. An allowance is provided for uncollectable amounts based upon management's estimates including factors such as historical experience, specific review of circumstances relative to major pledges and other factors.

Investments

Investments are carried at fair market value consistent with the fair value policies described elsewhere in these policies. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fair Value Measurements

Financial instruments are reported in accordance with the fair value standards of accounting. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. The fair value standards also provide for a practical expedient of fair value allowing for the use of net asset value per share ("NAV") when certain requirements are met. Items reported at fair value on a recurring basis include investments. Non-recurring fair values include items such as the initial recording of pledges.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The fair value standards require that for each item carried at fair value that such be disclosed in accordance with the valuation methods used which fall into three categories (except those items valued at NAV) as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – inputs are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions. In addition, Level 3 valuations incorporate assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that a change in values of these instruments will occur in the near term and that such changes could materially affect the amounts reported in these financial statements.

Right-of-Use Assets and Liabilities Under Operating Leases

Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the related obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit rate, thus a risk-free rate based on the information available at the commencement date was used in determining the present value of lease payments.

Office space is leased under operating lease arrangements through September 2027, with an option to extend through September 2032. Lease expense is recorded on a straight-line basis over the lease term with the expectation that the option to extend will be exercised.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Property and equipment with a cost greater than \$2,000 is capitalized when such items have a useful life of more than one year. Maintenance expenditures are expensed as incurred. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, which range from three to ten years.

Split-Interest Agreements

Split-interest agreements represent various forms of planned giving agreements. Assets of split-interest agreements are recorded at fair value in the appropriate net asset category based on donor stipulation. Contributions are recognized initially at fair value based on the present value of future benefits expected to be received or in the case of gift annuities and certain other gift instruments as the difference between fair value of donated investments less the liability for amounts payable to the donor or the donor's designee. For the pooled income fund, the difference is recorded as deferred revenue, to be recognized upon the maturity of the instrument.

The initially recorded fair value of the donated investments are determined based on the underlying nature of the investments received which have generally represented Level 1 and Level 3 measurements while the initial measurement of the related obligations are a Level 2 measure.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Investment returns are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Under accounting standards, revenue may be earned under exchange transactions or contribution transactions, which include grants as well as various types of contributed support. Exchange transactions are measured via a principles-based process that requires the entities: 1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied. Contributed support follows different standards. A summary of each of the revenue and support flows are as follows:

Contributed Support

Contributions, including unconditional promises to give, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Contributions of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in these policies. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Contributions with donor-imposed restrictions that can be met through the

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contributed Support (Continued)

passage of time or upon the incurring of expenses consistent with the restricted purpose are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions when such time or purposes restriction has been satisfied. Contributed services meeting the criteria for recognition are recorded as contributions and as expenses based on the value of the services provided. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as without donor restriction contributions.

Large-scale natural disasters and the humanitarian crises that follow require a wide variety of aid, immediately and over the mid and long-term. Disaster response focuses on those groups of people who are at risk of being overlooked by mainstream disaster responses.

Matching grant and foundation contributions are recognized as revenues in the period verifiably committed by the donor. If the support is designated for a future period, the revenue recognition occurs with donor restrictions until met by the passage of time.

Earned Income

Lease income consists of payments collected from a wind farm. Revenue is recorded in the period to which the payment relates. Payments received in advance are deferred until earned.

Investment returns are reported as revenue based on the fair value of such investments at year end. Such returns are allocated ratably based on the relative proportion of funds invested with donor restrictions and those without donor restrictions. Investment returns allocated to net assets with donor restrictions remain in such category until appropriated by the Board under the approved spending policy, unless otherwise required by the terms of the gift that they be added to the principal of the endowment.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Income Tax Status

UUSC is recognized by the Internal Revenue Service as a not-for-profit organization described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal and State income taxes on related income. Given that UUSC engages in limited taxable activities, disclosures relative to tax provisions are not necessary.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (Continued)

Uncertain Tax Positions

UUSC accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions.

UUSC has identified its tax status as a tax-exempt entity and its determination of which income is related and unrelated as its only significant tax positions and has determined that such tax positions do not result in uncertainty requiring recognition. UUSC is not currently under examination by any taxing jurisdiction. UUSC’s Federal and state income tax returns are generally open for examination for three years after the date of filing.

Subsequent Events

UUSC has evaluated subsequent events through October 21, 2025, the date the financial statements were authorized to be issued. No items were identified through this date that required adjustment or disclosure within these financial statements.

Note 2 - Available Resources and Liquidity

UUSC regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. UUSC has various sources of liquidity at its disposal, including cash and cash equivalents, marketable securities, appropriations per the investment and bequest spending policies and payments due within 12 months or longer for its Special Initiatives Campaign pledges.

For the purpose of analyzing resources available to meet general expenditures over a 12-month period, UUSC considers all expenditures related to its ongoing programs, advocacy and research, as well as the conduct of services undertaken to support those activities to be general expenditures.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 2 - Available Resources and Liquidity (Continued)

The following table shows the amounts that could readily be made available within one year after June 30:

	2025	2024
Cash and equivalents (without restrictions)	\$ 3,136,345	\$ 5,649,304
Accounts and interest receivable, net	422,305	265,763
Pledges/grants receivable, net (due within one year)	1,050,000	1,072,421
Appropriation of donor-restricted endowments for use over the next 12 months	1,374,554	1,180,992
Appropriation of bequest for use over the next 12 months	1,886,790	2,484,886
Special appropriations from board designated funds	2,115,891	2,035,760
Investments not encumbered by donor or board restrictions	6,079,445	2,493,876
	<u>\$ 16,065,330</u>	<u>\$ 15,183,002</u>

UUSC also has board designated funds functioning as endowments of \$20,321,458 and \$22,733,199 at June 30, 2025 and 2024, respectively (this does not account for appropriations noted above).

Note 3 - Pledges and Grants Receivable

Pledges are reported at their net present value, net of a historically-determined allowance for uncollectible pledges. Pledges and grants receivable were composed of the following at June 30:

	2025	2024
Pledges receivable		
Due within one year	\$ -	\$ 26,378
Due in one to five years	-	-
	<u>-</u>	<u>26,378</u>
Less: present value discount (3.00%)	-	-
Less: allowance for uncollectible pledges	-	3,957
	<u>-</u>	<u>3,957</u>
Pledges receivable, net	-	22,421
Grants receivable (due within one year)	<u>1,050,000</u>	<u>1,050,000</u>
Total pledges and grants receivable, net	<u>\$ 1,050,000</u>	<u>\$ 1,072,421</u>

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 4 - Investments and Fair Value Measurements

The following tables summarize financial assets measured at fair value on a recurring basis, by level, within the fair value hierarchy at June 30:

2025					
	Level 1	Level 2	Level 3	NAV	Total
Investments:					
Money market instruments	\$ 250,374	\$ -	\$ -	\$ -	\$ 250,374
Mutual fund - International	-	-	-	9,262,294	9,262,294
Government issued securities	-	6,217,290	-	-	6,217,290
Common stocks:					
Financial	2,560,620	-	-	-	2,560,620
Consumer products	2,030,510	-	-	-	2,030,510
Industrial products	3,020,848	-	-	-	3,020,848
Technology	5,848,913	-	-	-	5,848,913
Healthcare	1,670,388	-	-	-	1,670,388
Energy	601,434	-	-	-	601,434
International securities	752,347	-	-	-	752,347
Corporate bonds	-	4,422,617	-	-	4,422,617
Assets related to pooled income funds and charitable trust funds	-	-	78,262	-	78,262
Total fair value of financial instruments	\$ 16,735,434	\$ 10,639,907	\$ 78,262	\$ 9,262,294	\$ 36,715,897
2024					
	Level 1	Level 2	Level 3	NAV	Total
Investments:					
Money market instruments	\$ 261,514	\$ -	\$ -	\$ -	\$ 261,514
Mutual fund - International	-	-	-	9,016,349	9,016,349
Government issued securities	-	6,090,364	-	-	6,090,364
Common stocks:					
Financial	1,921,884	-	-	-	1,921,884
Consumer products	2,494,015	-	-	-	2,494,015
Industrial products	2,418,338	-	-	-	2,418,338
Technology	5,599,214	-	-	-	5,599,214
Healthcare	2,046,908	-	-	-	2,046,908
Energy	234,113	-	-	-	234,113
International securities	725,713	-	-	-	725,713
Corporate bonds	-	3,884,253	-	-	3,884,253
Assets related to pooled income funds and charitable trust funds	-	-	83,837	-	83,837
Total fair value of financial instruments	\$ 15,701,699	\$ 9,974,617	\$ 83,837	\$ 9,016,349	\$ 34,776,502

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 4 - Investments and Fair Value Measurements (Continued)

The fair value of the assets related to pooled income funds and charitable trust funds is based on the market value of the related assets. Due to the planned giving provisions, UUSC does not have the ability to redeem the investments. Therefore, the assets have been recorded as Level 3.

There were no unfunded commitments outstanding in relation to the NAV investments at June 30, 2025.

Management has no intentions or plans to sell any investments measured at net asset value per share for an amount other than their reported net asset value per share.

Investment return was recorded as follows in the statements of activities for the years ended June 30:

	2025	2024
Investment income and gains appropriated	\$ 1,180,992	\$ 1,017,331
Investment income and gains, net of amounts appropriated and investment fees	<u>1,922,831</u>	<u>1,453,364</u>
Total investment return	<u>\$ 3,103,823</u>	<u>\$ 2,470,695</u>

Investment return was composed of the following for the years ended June 30:

	2025	2024
Interest and dividend income	\$ 586,490	\$ 487,296
Realized and unrealized gains on investments	2,694,591	2,137,127
Investment fees	<u>(177,258)</u>	<u>(153,728)</u>
Total investment return	<u>\$ 3,103,823</u>	<u>\$ 2,470,695</u>

Investments have the following redemption notice periods:

Daily	\$ 27,453,603
Monthly	<u>9,262,294</u>
Total	<u>\$ 36,715,897</u>

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 5 - Property and Equipment

Property and equipment were composed of the following at June 30:

	2025	2024
Land	\$ 1	\$ 1
Leasehold improvements	172,373	152,112
Office and computer equipment	<u>1,181,084</u>	<u>1,159,404</u>
	1,353,458	1,311,517
Less: accumulated depreciation	<u>1,006,531</u>	<u>946,846</u>
Total property and equipment, net	\$ <u>346,927</u>	\$ <u>364,671</u>

Note 6 - Donor Advance - Promissory Notes

A significant donor advanced funds to UUSC in return for a non-interest bearing demand promissory note. UUSC invested the proceeds from the note in a money market account, the interest of which can be used to support operations. It is the intention of the donor to forgive the note upon their death. The advance has not been accounted for as a contribution, given that it represents an intention, and has not been present valued due to the demand feature of the note.

Note 7 - Net Assets and Endowment Matters

Net assets were composed of the following at June 30:

Without Donor Restrictions

	2025	2024
Operating - undesignated	\$ 8,030,316	\$ 7,026,855
Board designated	20,321,458	22,733,199
Net investment in property and equipment	<u>516,605</u>	<u>723,270</u>
Total net assets without donor restrictions	\$ <u>28,868,379</u>	\$ <u>30,483,324</u>

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

With Donor Restrictions

	2025	2024
Spendable funds with time and purpose restrictions:		
Special Initiative/Comprehensive campaign	\$ 139,510	\$ 205,860
HCA campaign	565,581	694,390
Time restrictions	1,923,070	1,947,137
Designated relief - emergency response	478,925	423,241
Pooled income	78,262	87,387
Programs	21,872	21,872
	<u>3,207,220</u>	<u>3,379,887</u>
Endowment fund:		
Accumulated appreciation on endowment	2,808,395	2,048,028
Endowment fund restricted in perpetuity	5,382,268	5,377,068
Special initiative campaign	1,837,044	1,837,044
Comprehensive campaign	250,000	250,000
Pooled income	37,287	37,287
	<u>10,314,994</u>	<u>9,549,427</u>
Total net assets with donor restrictions	\$ <u>13,522,214</u>	\$ <u>12,929,314</u>

The following represents required disclosure relative to the composition and activities of endowment and funds functioning as endowment for the years ended June 30:

	2025		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Donor-restricted endowment funds	\$ -	\$ 10,314,994	\$ 10,314,994
Board-designated endowment funds	<u>20,321,458</u>	<u>-</u>	<u>20,321,458</u>
Total funds	\$ <u>20,321,458</u>	\$ <u>10,314,994</u>	\$ <u>30,636,452</u>

	2024		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Donor-restricted endowment funds	\$ -	\$ 9,549,427	\$ 9,549,427
Board-designated endowment funds	<u>22,733,199</u>	<u>-</u>	<u>22,733,199</u>
Total funds	\$ <u>22,733,199</u>	\$ <u>9,549,427</u>	\$ <u>32,282,626</u>

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

The following represents required disclosure relating to the composition of endowment assets and those functioning as endowment assets at June 30:

	2025		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment assets and those functioning as endowment assets, beginning of year	\$ 22,733,199	\$ 9,549,427	\$ 32,282,626
Gifts and additions	946,442	5,200	951,642
Investment returns	1,987,384	1,116,439	3,103,823
Expenditures:			
Bequests appropriated for operations	(2,484,887)	-	(2,484,887)
Spending rate appropriated for operations	(824,920)	(356,072)	(1,180,992)
Special appropriations from board designated fund	(2,035,760)	-	(2,035,760)
Total expenditures	(5,345,567)	(356,072)	(5,701,639)
Change in endowment assets and those functioning as endowment assets	(2,411,741)	765,567	(1,646,174)
Endowment assets and those functioning as endowment assets, end of year	\$ 20,321,458	\$ 10,314,994	\$ 30,636,452

	2024		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Endowment assets and those functioning as endowment assets, beginning of year	\$ 20,549,676	\$ 9,087,350	\$ 29,637,026
Gifts and additions	3,603,246	7,175	3,610,421
Investment returns	1,697,368	773,327	2,470,695
Expenditures:			
Bequests appropriated for operations	(1,250,000)	-	(1,250,000)
Spending rate appropriated for operations	(698,906)	(318,425)	(1,017,331)
Other expenditures	(68,185)	-	(68,185)
Total expenditures	(3,117,091)	(318,425)	(3,435,516)
Change in endowment assets and those functioning as endowment assets	2,183,523	462,077	2,645,600
Endowment assets and those functioning as endowment assets, end of year	\$ 22,733,199	\$ 9,549,427	\$ 32,282,626

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

Endowment

UUSC's endowment consists of 34 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

UUSC accepts endowment gifts and has an Endowment Gift Policy that enables donors giving \$50,000 or more to establish a named endowment fund that will support the Organization's work throughout the future. The following are UUSC's current named endowment funds as of June 30, 2025:

\$1,000,000 and over

Bert & Val Harrop Family Fund
Bradburd Endowment for Youth and Young Adult Activists
Charles Mason Jr. Endowment

\$500,000 - \$999,999

50th Anniversary Program Endowment
Doyle & Alba Bortner Endowment
Dr. Richard S. Scobie Endowment
Martha Sharp Cogan Children's Endowment Fund

\$100,000 - \$499,999

Mary Trumpler Empowerment Endowment
Mildred K. Bickel Fund
Dorothy Baker Johnson Endowment
John W. Cyrus Endowment
Johanna Henn Endowment
Beverley Baxter Endowment

\$50,000 - \$99,999

William Emerson Endowment
Katherine L. Morningstar Endowment
Mary-Ella Holst and Guy C. Quinland Endowment
Domatila Barrios de Chungara Endowment
Carolyn Owen-Towle Endowment

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

Interpretation of Relevant Law and Spending Policy

UUSC tracks as endowment (a) the original value of gifts donated to the permanent endowment, (b) subsequent gifts to the like funds and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Appreciation is also tracked on a fund-by-fund basis, less any appropriation for use.

In accordance with state law, UUSC considers the following factors in determining whether to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of UUSC 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 UUSC
- (7) The investment policies of UUSC

Spending Rates and the Measure of Operations

The Board of Trustees, recognizing that certain of its sources of revenue are very stable in the long term but can fluctuate significantly from year to year, have adopted authorized spending rates for these sources. Investment return appropriated was 5% of the non-planned giving investments using the average of the previous thirteen quarters using the end of the prior calendar year as a starting point. Bequests appropriated from board designated funds for the year are calculated at the beginning of the year as 100% and 50% of the last three years' total average bequests in 2025 and 2024, respectively.

In its statements of activities, UUSC includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment income earned and bequests received in excess of (or less than) UUSC's authorized spending rates are recognized as non-operating activity as are changes in the value of split-interest agreements.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires UUSC to retain as a fund of perpetual duration. There were no such deficiencies at June 30, 2025 and 2024.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 7 - Net Assets and Endowment Matters (Continued)

Return Objectives and Risk Parameters

UUSC's investment portfolio is managed to provide for the long-term support of UUSC. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk. It is the goal of the aggregate long-term investments to generate an average total annual return that exceeds the spending/payout rate plus inflation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, UUSC 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). UUSC targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, UUSC seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Note 8 - Allocation of Joint Costs

UUSC conducted activities that included appeals for contributions and that incurred joint costs.

These costs were included in the statements of activities as follows at June 30:

	2025	2024
Program services	\$ 318,375	\$ 532,110
Fundraising	<u>56,184</u>	<u>93,902</u>
Total allocation of joint costs	<u>\$ 374,559</u>	<u>\$ 626,012</u>

These costs were included in the statements of functional expenses as follows:

	2025	2024
Printing and publications	\$ 191,525	\$ 354,137
Postage and delivery	<u>183,034</u>	<u>271,875</u>
Total	<u>\$ 374,559</u>	<u>\$ 626,012</u>

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 9 - Leases as a Lessor

UUSC leases property owned in Utah to the operator of wind turbine generators under a 40-year lease. Rental income and related expenses are included in the operating activities on the accompanying statements of activities. The leases expire at various dates through 2048.

2026	\$	39,361
2027		39,361
2028		39,361
2029		39,361
2030		39,361
Thereafter		688,824
	\$	<u><u>885,629</u></u>

Note 10 - Leases as a Lessee

UUSC has an operating lease agreement which was prepaid for its initial occupancy period running through September 2027. The lease agreement includes an option to renew the lease for an additional five years through September 2032, which management has determined is likely to be availed. Thus, such amounts are included in the information below.

UUSC's operating lease has the following other information for the years ended June 30:

	2025	2024
Consideration paid for amounts included in the measurement of lease liabilities	\$ -	\$ -
Weighted average remaining lease term	7.25 years	8.25 years
Weighted average discount rate	2.88%	2.88%

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 10 - Leases as a Lessee (Continued)

Approximate annual minimum non-cancelable rental payments under operating leases are as follows for the years ending June 30:

2026	\$	-
2027		-
2028		180,000
2029		240,000
2030		240,000
Thereafter		<u>540,000</u>
Total future minimum lease payments		1,200,000
Less imputed interest		<u>(151,869)</u>
Total	\$	<u><u>1,048,131</u></u>

Lease expense was approximately \$188,921 for both years ended June 30, 2025 and 2024.

Note 11 - Commitments and Contingencies

Employment Agreement

As is common in many organizations, UUSC has employment agreements with key management personnel, including the CEO whose agreement commenced on June 13, 2018 and contains a number of provisions relative to the terms of employment. Additionally, UUSC also pays certain benefits of two prior CEOs and the associated costs of these agreements are included in accrued compensation at June 30, 2025 and 2024.

Appropriation

UUSC's Board of Trustees approved a combined appropriation of \$5,377,235 in support of operations for the year ending June 30, 2026. This includes a regular appropriation of \$3,261,344 pursuant to the Investment and Bequest Spending Policy and special appropriations of \$1,100,000 and \$1,015,891 to support the fiscal 2026 budget.

Other

The current political and economic climate, influenced by federal policies, presents an uncertain environment. UUSC is exploring diversified funding strategies and other financial management practices.

UNITARIAN UNIVERSALIST SERVICE COMMITTEE

Notes to Financial Statements

Note 12 - Concentrations and Related Party Matters

Contribution and matching grant revenue from a single donor amounted to \$925,000 and \$1,000,000 during the years ended June 30, 2025 and 2024, respectively. No reserve has been deemed necessary over the collection of pledged amounts.

The following is a summary of activity for the years ended June 30:

	2025	2024
Pledges and grants receivable beginning balance	\$ 1,050,000	\$ 1,050,000
New pledge commitments	925,000	1,000,000
Amounts paid	<u>(925,000)</u>	<u>(1,000,000)</u>
Pledges and grants receivable ending balance	\$ <u>1,050,000</u>	\$ <u>1,050,000</u>

A finance committee member is related to a firm who acted as an investment manager for UUSC during the years ended June 30, 2025 and 2024. As such, the committee member does not vote on matters relating to investment managers.

Note 13 - Retirement Plan

UUSC maintains a qualified defined contribution retirement plan for the benefit of all employees who have completed one year of service working a minimum of twenty hours a week, with an employer contribution rate at 9% or 10% of an employee's base salary depending on years of service.

UUSC also offers a tax-deferred annuity plan to all employees with elective deferrals up to specified qualified plan limits. After five years of service, UUSC will match half of the eligible employee's contributions up to 1% of the employee's base salary.

Retirement plan expenses were \$503,742 and \$446,674 for the years ended June 30, 2025 and 2024, respectively.

Note 14 - Collective Bargaining Agreement

The current collective bargaining agreement with UNITE Here! expires in June 2027.