



## **Financial Statements**

**Union of Concerned Scientists, Inc.**

**September 30, 2025 and 2024**



# UNION OF CONCERNED SCIENTISTS, INC.

## *Financial Statements*

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CBIZ CPAs P.C.

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## *Independent Auditors' Report*

Board of Directors  
Union of Concerned Scientists, Inc.  
Cambridge, Massachusetts

### ***Opinion***

We have audited the financial statements of Union of Concerned Scientists, Inc. ("UCS"), which comprise the statements of financial position as of September 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 UCS as of September 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 UCS 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 UCS'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 UCS'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 UCS'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  
February 24, 2026

# UNION OF CONCERNED SCIENTISTS, INC.

## Statements of Financial Position

September 30, 2025 and 2024

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 13,779,163	\$ 5,248,362
Investments	55,400,484	52,155,510
Pledges receivable	320,000	500,000
Grants receivable	1,046,655	1,360,786
Prepaid expenses and other assets	687,046	644,996
Right-of-use assets	2,087,695	3,798,524
Property and equipment, net	<u>7,438,343</u>	<u>7,791,821</u>
<b>Total assets</b>	<b><u>\$ 80,759,386</u></b>	<b><u>\$ 71,499,999</u></b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 3,776,798	\$ 3,380,146
Lease liability	2,286,542	4,200,733
Liabilities under annuity agreements	<u>3,067,967</u>	<u>3,105,138</u>
<b>Total liabilities</b>	<b><u>9,131,307</u></b>	<b><u>10,686,017</u></b>
<b>Net assets</b>		
Without donor restrictions	66,608,418	56,097,515
With donor restrictions	<u>5,019,661</u>	<u>4,716,467</u>
<b>Total net assets</b>	<b><u>71,628,079</u></b>	<b><u>60,813,982</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 80,759,386</u></b>	<b><u>\$ 71,499,999</u></b>

See accompanying notes to financial statements.

**UNION OF CONCERNED SCIENTISTS, INC.**

**Statement of Activities**

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2024 Total</u>
<b>Operating revenue and other support</b>				
Membership and contributions	\$ 34,722,041	\$ 1,650,993	\$ 36,373,034	\$ 26,070,248
Foundation and other institutional grants	1,307,015	5,441,392	6,748,407	6,377,756
Realized planned gifts	7,701,681	-	7,701,681	5,781,702
Other revenue	34,693	-	34,693	45,475
Net assets released from restriction	7,586,515	(7,586,515)	-	-
<b>Total operating revenue and other support</b>	<b>51,351,945</b>	<b>(494,130)</b>	<b>50,857,815</b>	<b>38,275,181</b>
<b>Operating expenses</b>				
Programs				
Center for science and democracy	4,653,660	-	4,653,660	5,412,226
Climate and energy	19,117,304	-	19,117,304	20,155,800
Clean transportation	6,560,786	-	6,560,786	6,159,513
Global security	5,938,495	-	5,938,495	5,669,183
Food and environment	4,497,772	-	4,497,772	4,376,377
Western States	3,239,789	-	3,239,789	2,041,801
Legislative	319,067	-	319,067	189,879
Total program expenses	44,326,873	-	44,326,873	44,004,779
Supporting services				
Fundraising	2,357,957	-	2,357,957	2,620,410
General and administrative	2,944,133	-	2,944,133	3,445,368
Total supporting services expenses	5,302,090	-	5,302,090	6,065,778
<b>Total operating expenses</b>	<b>49,628,963</b>	<b>-</b>	<b>49,628,963</b>	<b>50,070,557</b>
Change in net assets from operations	1,722,982	(494,130)	1,228,852	(11,795,376)
<b>Nonoperating income:</b>				
Net investment return	4,871,174	797,324	5,668,498	10,594,719
Employee Retention Credit income	3,375,234	-	3,375,234	-
Change in annuity agreements	541,513	-	541,513	99,522
Change in net assets from nonoperating activities	8,787,921	797,324	9,585,245	10,694,241
<b>Total change in net assets</b>	<b>10,510,903</b>	<b>303,194</b>	<b>10,814,097</b>	<b>(1,101,135)</b>
Net assets, beginning of year	56,097,515	4,716,467	60,813,982	61,915,117
<b>Net assets, end of year</b>	<b>\$ 66,608,418</b>	<b>\$ 5,019,661</b>	<b>\$ 71,628,079</b>	<b>\$ 60,813,982</b>

See accompanying notes to financial statements.

**UNION OF CONCERNED SCIENTISTS, INC.**

**Statement of Activities**

**Year Ended September 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating revenue and other support</b>			
Membership and contributions	\$ 23,367,410	\$ 2,702,838	\$ 26,070,248
Foundation and other institutional grants	819,880	5,557,876	6,377,756
Realized planned gifts	5,781,702	-	5,781,702
Other revenue	45,475	-	45,475
Net assets released from restriction	7,687,558	(7,687,558)	-
	<b>37,702,025</b>	<b>573,156</b>	<b>38,275,181</b>
<b>Operating expenses</b>			
Programs			
Center for science and democracy	5,412,226	-	5,412,226
Climate and energy	20,155,800	-	20,155,800
Clean transportation	6,159,513	-	6,159,513
Global security	5,669,183	-	5,669,183
Food and environment	4,376,377	-	4,376,377
Western States	2,041,801	-	2,041,801
Legislative	189,879	-	189,879
	44,004,779	-	44,004,779
Supporting services			
Fundraising	2,620,410	-	2,620,410
General and administrative	3,445,368	-	3,445,368
	6,065,778	-	6,065,778
	<b>50,070,557</b>	<b>-</b>	<b>50,070,557</b>
Change in net assets from operations	(12,368,532)	573,156	(11,795,376)
<b>Nonoperating income:</b>			
Net investment return	9,447,654	1,147,065	10,594,719
Change in annuity agreements	99,522	-	99,522
Change in net assets from nonoperating activities	9,547,176	1,147,065	10,694,241
	<b>(2,821,356)</b>	<b>1,720,221</b>	<b>(1,101,135)</b>
Net assets, beginning of year	58,918,871	2,996,246	61,915,117
<b>Net assets, end of year</b>	<b>\$ 56,097,515</b>	<b>\$ 4,716,467</b>	<b>\$ 60,813,982</b>

See accompanying notes to financial statements.

UNION OF CONCERNED SCIENTISTS, INC.

Statements of Functional Expenses

Years Ended September 30, 2025 and 2024

	2025										2024													
	Programs					Supporting Services					Programs					Supporting Services								
	Center for Science and Democracy	Climate and Energy	Clean Transportation	Global Security	Food and Environment	Western States	Legislative	Total Programs	Fundraising	General and Administrative	Total Supporting Services	Total Operating Expenses	Center for Science and Democracy	Climate and Energy	Clean Transportation	Global Security	Food and Environment	Western States	Legislative	Total Programs	Fundraising	General and Administrative	Total Supporting Services	Total Operating Expenses
Personnel costs	3,282,141	14,654,886	4,925,948	4,501,105	3,456,991	2,561,662	112,237	33,494,970	579,420	1,094,459	1,673,879	35,168,849	2,997,735	15,733,027	4,480,760	4,392,698	3,070,301	1,249,175	92,196	32,015,882	543,707	1,072,719	1,616,426	33,632,318
Contractual expenses	379,885	1,137,335	501,059	363,936	270,891	199,397	127,804	2,980,307	327,472	532,734	860,206	3,840,513	63,787	1,374,013	659,807	357,198	608,525	286,706	48,530	4,772,749	434,353	989,196	1,393,549	6,166,298
Coalition support	105,331	280,679	54,444	43,539	39,231	32,323	40,000	595,547	1,397	7,639	9,036	604,583	483,030	535,142	193,573	53,216	42,176	36,715	5,000	684,811	1,222	2,411	3,633	688,444
Publications and mailing costs	318,187	688,142	302,423	263,541	166,116	68,946	888	1,808,253	724,854	8,526	733,380	2,541,633	26,775	191,892	62,306	71,118	135,479	102,703	214	1,594,399	757,656	7,590	765,246	2,359,645
Event costs	37,394	151,148	48,080	61,989	26,761	17,325	4,069	346,766	4,283	6,889	11,172	357,938	183,243	853,207	251,539	280,898	194,718	161,717	81	1,925,403	580,334	1,137,998	1,718,332	483,911
Office and equipment expenses	202,897	834,214	282,878	249,469	195,435	147,998	9,812	1,922,703	557,142	1,051,197	1,608,339	3,531,042	135,878	647,656	181,640	215,632	147,308	121,454	2,901	1,452,669	191,056	159,336	350,392	3,643,735
Books, periodicals and online services	201,651	870,128	284,069	262,281	229,574	149,150	2,424	1,999,297	105,152	143,430	248,582	2,247,879	71,125	470,547	130,115	123,365	97,227	42,780	32,350	967,509	46,950	14,225	61,175	1,028,684
Travel	111,167	439,548	141,101	174,314	98,116	51,995	21,791	1,038,032	14,327	12,936	27,263	1,065,295	12,683	59,972	17,182	19,618	13,802	11,502	-	134,759	42,524	87,178	129,702	264,461
Fees and interest expense	15,007	61,224	20,764	18,321	14,657	10,993	32	140,998	43,910	86,323	130,233	271,231	5,412,226	20,155,800	6,159,513	5,669,183	4,376,377	2,041,801	189,879	44,004,779	2,620,410	3,445,368	6,065,778	50,070,557
<b>Total expenses</b>	<b>4,653,660</b>	<b>19,117,304</b>	<b>6,560,786</b>	<b>5,838,495</b>	<b>4,497,772</b>	<b>3,239,789</b>	<b>319,067</b>	<b>44,326,873</b>	<b>2,357,957</b>	<b>2,944,133</b>	<b>5,302,090</b>	<b>49,628,963</b>	<b>5,412,226</b>	<b>20,155,800</b>	<b>6,159,513</b>	<b>5,669,183</b>	<b>4,376,377</b>	<b>2,041,801</b>	<b>189,879</b>	<b>44,004,779</b>	<b>2,620,410</b>	<b>3,445,368</b>	<b>6,065,778</b>	<b>50,070,557</b>

# UNION OF CONCERNED SCIENTISTS, INC.

## Statements of Cash Flows

Years Ended September 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 10,814,097	\$ (1,101,135)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	401,124	481,699
Non-cash lease expense	1,710,829	1,537,467
Realized and unrealized gain on investments, net	(5,546,865)	(10,498,744)
Changes in certain assets and liabilities:		
Pledges receivable	180,000	-
Grants receivable	314,131	(573,154)
Prepaid expenses and other assets	(42,050)	358,000
Accounts payable and accrued expenses	569,452	(1,458,071)
Operating lease liability	(1,914,191)	(1,728,819)
Liabilities under annuity agreements	(37,171)	127,954
	<b>6,449,356</b>	<b>(12,854,803)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>6,449,356</b>	<b>(12,854,803)</b>
<b>Cash flows from investing activities:</b>		
Cash paid for purchases of property and equipment	(220,446)	(653,723)
Cash paid for purchases of investments	(300,000)	(3,057,575)
Cash received from sales and maturities of investments	2,601,891	15,472,634
	<b>2,081,445</b>	<b>11,761,336</b>
<b>Net cash provided by investing activities</b>	<b>2,081,445</b>	<b>11,761,336</b>
<b>Net change in cash and cash equivalents</b>	<b>8,530,801</b>	<b>(1,093,467)</b>
Cash and cash equivalents, beginning of year	5,248,362	6,341,829
<b>Cash and cash equivalents, end of year</b>	<b>\$ 13,779,163</b>	<b>\$ 5,248,362</b>
<b>Supplemental disclosure of noncash information</b>		
Property, plant and equipment included in accounts payable	\$ -	\$ 172,800

See accompanying notes to financial statements.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 1 - Nature of Organization**

Union of Concerned Scientists, Inc. (“UCS”) is an independent not-for-profit organization that was incorporated in the District of Columbia on September 19, 1973. UCS’s support comes primarily through contributions from individuals including membership, major gifts, bequests and other planned gifts, foundations grants, as well as investment returns.

UCS puts rigorous, independent science to work to solve our planet’s most pressing problems. Joining with people across the country, UCS combines technical analysis and effective advocacy to create innovative, practical solutions for a healthy, safe and sustainable future.

What began as a collaboration between students and faculty members at the Massachusetts Institute of Technology in 1969 is now an alliance of more than 500,000 individuals. UCS members are people from all walks of life: parents and businesspeople, biologists and physicists, teachers and students. UCS members understand that scientific analysis - not political calculations or corporate hype - should guide our efforts to secure responsible changes in government policy, corporate practices, and consumer choices.

UCS experts work on some of the world’s most complex and daunting problems: stemming the tide of global warming, finding sustainable ways to feed, power and transport ourselves, and reducing the threat of catastrophic war. UCS’s achievements over the decades show that thoughtful action based on the best available science can help safeguard our future and the future of our planet.

UCS’s programs include Center for Science and Democracy, Climate and Energy, Clean Transportation, Global Security, Food and Environment, Western States and Legislative.

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

#### ***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America which require that UCS report 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:

*Without Donor Restrictions* - Net assets available for general use and not subject to donor restrictions. The Board of Directors has designated funds from without donor restrictions for endowment, operating cash and for strategic initiatives. Without donor restrictions also include the investment in property and equipment, net of accumulated depreciation and amortization.

*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, events specified by the donor, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of bank deposits and money market accounts with initial maturities of ninety days or less. Such amounts are stated at cost plus accrued interest. Cash and cash equivalents held by investment managers are considered part of investment balances. At times, balances exceed federally insured limits. Management monitors such exposure and has not experienced any losses in such accounts.

#### ***Investments***

Investments are carried at fair value as per the fair value policies outlined later in this section. Interest, dividends and net gains or losses on investments are reported as investment return in the period earned net of external investment expenses as follows:

- as increases or decreases in net assets with donor restrictions if the terms of the gift require that they be applied to the principal of a permanent endowment fund;
- as increases or decreases in net assets with donor restrictions if the terms of the gift or state law impose restrictions on the current use of the income or net gains and losses;
- as increases or decreases in net assets without donor restrictions in all other cases.

#### ***Fair Value Measurements***

UCS reports certain assets and liabilities at fair value on a recurring and non-recurring basis depending on the underlying accounting policy for the item. Recurring fair value measures include investments. Non-recurring fair value measures include pledge and grant receivables and liabilities under annuity agreements. Accounting principles define fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. Accounting rules specify a hierarchy of valuation techniques based on whether the inputs to a fair value measurement are observable or unobservable in a marketplace. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect UCS's market assumptions.

In addition, UCS reports certain investments using the net asset value ("NAV") per share using the so-called practical expedient. The practical expedient allows NAV per share to represent fair value for reporting purposes when criteria for this method are met. These investments are generally redeemable at NAV per share per the subscription agreements for the underlying assets. Under certain circumstances, redemption rights may be restricted.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Fair Value Measurements (Continued)***

This hierarchy requires the use of observable market data when available but for items measured using the NAV method. The valuation methods used over fair value items are then summarized based on the preponderance of valuation methods used which are summarized into the following categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities. For example, quoted prices for identical assets that are publicly traded on an exchange.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable at the reporting date. For example, quoted prices for similar assets in active markets or quoted prices for identical assets in inactive markets.

Level 3 - Unobservable inputs reflecting management's own assumptions about the inputs used in estimating the value of the asset.

In some instances, the input used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument, as well as the effect of market, interest and credit risk. Instruments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

It is reasonably possible that different assumptions or changes in values of these instruments could occur which could materially affect amounts reported in these financial statements.

#### ***Pledges and Grants Receivable***

Pledges and grants receivable, including unconditional promises to give, are recognized as receivables when verifiably committed at estimated net realizable value. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Initial recording of contributions expected to be collected in one year or more utilizes a risk adjusted present value to account for the inherent risk associated with the expected future cash flows. The initially recorded value of pledges and grants is considered a Level 2 fair value approach.

Pledges and grants receivable are assessed for collectability at periodic intervals and management has determined that it expects to collect substantially all amounts pledged and granted, and accordingly, no allowance has been provided over these amounts. Pledges receivable that are due beyond one year are immaterial to the financial statements.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### ***Property and Equipment***

Property and equipment are stated at cost, or if donated, are recorded at fair value at the date of the gift. The cost of normal maintenance and repairs is charged to expense as incurred; significant additions and improvements are capitalized.

The straight-line method is used to depreciate the cost of property and equipment over their estimated useful lives as follows:

Building and building improvements	40 years
Leasehold improvements	Term of Lease
Furniture and fixtures	5 - 10 years
Equipment	5 - 10 years
Solar equipment	25 years
Computer equipment	3 years
Capitalized software	5 years

#### ***Leases***

UCS leases certain space under an operating lease arrangement through July 2028. Lease expense is recognized on the straight-line basis over the lease term.

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

#### ***Liabilities Under Annuity Agreements***

UCS enters into charitable gift annuity agreements with donors. Under these arrangements, UCS receives assets and agrees to make scheduled payments to the annuitant(s). The assets received under gift annuity agreements are recorded at the fair value when the assets are received by UCS as trustee, while liabilities are recorded based on actuarial expected lives of the beneficiaries which is likewise a fair value measure using Level 2 fair value methods as indicated in the fair value policies described earlier in this section. The difference between the assets received and the obligations recorded is considered contribution revenue and recorded as per the policies below. In addition, certain other like instruments are recorded in this category. Liabilities under these agreements are adjusted annually based on current actuarial expectations associated with the underlying annuitants.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition**

##### ***Membership and Contributions***

Membership and contributions are recognized as revenues at the earlier of when received or when the donor demonstrates an unconditional commitment to contribute cash or other assets to UCS. Revenue amounts are based on the expected net realizable value of such amounts which includes consideration of ultimate collections and risk adjusted discount rates associated with long-term commitments. Amortization of the discount is included in grants and contributions revenue.

Donor-restricted contributions (that is time, purpose restricted or both) are reported as increases in net assets with donor restrictions. Contributions without donor restrictions are reported as without donor restrictions. When a restriction expires through the passage of time or the meeting of purpose restrictions, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restriction.

All memberships are considered donative and thus have been accounted for as contribution revenue without donor restrictions.

If a contribution is considered conditional, revenues are not recorded until the conditions are met which normally entails the meeting of a barrier, such as a performance obligation or other uncertain event.

##### ***Foundation and Other Institutional Grants***

Foundation and other institutional grants follow the same revenue recognition practices as membership and contributions noted above.

##### ***Employee Retention Credit income***

Consists of grant revenue related to the Employee Retention Credit program, see Note 13 for details.

##### ***Realized Planned Gifts***

Realized planned gifts include bequests and maturity of gift annuity agreements. Bequests are recognized as revenue when amounts are received, which management has determined is the time uncertainty is eliminated, and such realization is assured. Maturity of gift annuity agreements represent gains on those instruments in excess of amounts previously recorded when the annuity obligation is removed from the books.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### ***Net Investment Return***

Net investment return is 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 board approved spending policy unless otherwise required by the terms of the gift that they be added to the principal of the endowment.

#### ***Change in Value of Annuity Agreements***

Change in value to split interest represents the effect of actuarial updates in measurement of liabilities under annuity agreements, return on underlying investments and the effect of certain agreements being classified into realized planned gifts.

#### ***Media***

Media expenses refer to print or broadcast ads to increase public awareness of issues central to UCS's mission such as renewable energy, clean transportation, and climate change. UCS's policy is to expense media costs as incurred. These expenses were approximately \$477,000 and \$537,000 for the years ended September 30, 2025 and 2024, respectively. Media is included in contractual expenses on the Statements of Functional Expenses.

#### ***Operating and Nonoperating Activity***

The statements of activities report the changes in net assets without donor restrictions and with donor restrictions from operating and nonoperating activities. Operating revenues consist of items attributable to the UCS's primary mission of putting rigorous, independent science to work to solve our planet's most pressing problems and are considered to be without donor restriction. Investment return and changes in annuity agreements are reported as nonoperating gains or losses.

#### ***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. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such amounts have been allocated based on factors that management has deemed as rational and systematic.

#### ***Income Taxes***

UCS is recognized by the Internal Revenue Service as an 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. Accordingly, no provision for income taxes is made in the financial statements.

UCS has determined that its status as a tax-exempt entity and its determinations as to its income being related and unrelated are not uncertain tax positions within the meaning of generally accepted accounting principles for its open tax years. UCS's Federal and state income tax returns are generally open for examination for three years following the date filed.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Use of Estimates***

The preparation of the 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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Pending Accounting Pronouncements***

Management is not aware of any pending standards that it believes would have a material impact on UCS and, accordingly, have not outlined those standards here.

#### ***Reclassifications***

Certain reclassifications have been made to the prior year financial statements in order to conform with the current year presentation.

#### ***Subsequent Events***

UCS has evaluated subsequent events through February 24, 2026, the date the financial statements were issued and determined no matters for adjustment or disclosure were required.

### **Note 3 - Liquidity and Availability**

UCS regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. UCS has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, UCS considers all expenditures related to its ongoing program services as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to the financial assets available to meet general expenditures over the next 12 months, UCS seeks to collect sufficient revenue to cover general expenditures, however at times will plan to use its accumulated resources to meet current plans for program and other costs.

Board designated funds are included in the financial assets available to meet general expenditures over the next twelve months. Although not expected to be needed, the spendable yet restricted portion of UCS's net assets could be used to meet cash needs if necessary. Prudent investment management, however, must be considered to ensure the preservation of the funds for future use.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 3 - Liquidity and Availability (Continued)**

The following table shows the total financial assets held by UCS and the amounts of those financial assets available within one year of the balance sheet date to meet general expenditures:

	<b>2025</b>	<b>2024</b>
Financial assets available to meet general expenditures over the next 12 months:		
Cash and cash equivalents not encumbered by donor restrictions	\$ 13,779,163	\$ 5,248,362
Investments not encumbered by donor restrictions	47,636,838	45,774,180
Pledges receivable for general expenditure due in one year or less	240,000	500,000
Grants receivable for general expenditure due in one year or less	935,662	1,151,341
<b>Total financial assets available to meet general expenditures over the next 12 months</b>	<b>\$ 62,591,663</b>	<b>\$ 52,673,883</b>

### **Note 4 - Investments**

UCS utilizes professional investment advisory services to manage the portfolio using a long-term horizon. In its choice of investments and investment managers, UCS considers the broad environmental mission as well as the need for strong financial performance. To align with UCS's responsibility for the environment, UCS screens for and mitigates its exposure to investments in carbon intensive entities seeking to have 1% or less of its investments in these types of companies

Investments consist of the following at September 30:

	<b>2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>NAV Measurement</b>	<b>Total</b>
Equity Funds	\$ 18,084,625	\$ -	\$ -	\$ 18,084,625
U.S. Government Obligations	-	419,667	-	419,667
Bond Funds	19,167,369	-	-	19,167,369
Money Market Funds	1,027,686	-	-	1,027,686
Liquid Alternatives	-	-	16,701,137	16,701,137
	<b>\$ 38,279,680</b>	<b>\$ 419,667</b>	<b>\$ 16,701,137</b>	<b>\$ 55,400,484</b>

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### *Note 4 – Investments (Continued)*

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>NAV Measurement</b>	<b>Total</b>
Equity Funds	\$ 15,779,829	\$ -	\$ -	\$ 15,779,829
U.S. Government Obligations		324,259		324,259
Bond Funds	18,540,046	-	-	18,540,046
Money Market Funds	1,286,496	-	-	1,286,496
Liquid Alternatives	-	-	16,224,880	16,224,880
	<b>\$ 35,606,371</b>	<b>\$ 324,259</b>	<b>\$ 16,224,880</b>	<b>\$ 52,155,510</b>

Included in investments are investments held on behalf of gift annuities, which total \$7,763,645 and \$6,381,329 at September 30, 2025 and 2024, respectively.

Liquid alternatives generally have a redemption notice period of thirty days. UCS has no plans or intentions to liquidate any NAV practical expedient investment at other than NAV per share. Under unusual circumstances, fund managers can reserve the right to limit distributions to shareholders, however UCS has not experienced any changes or limits over fund distributions. There were no unfunded commitments under various investment vehicles at September 30, 2025 or 2024.

### *Note 5 - Grants Receivable*

Grants receivable consist of the following at September 30:

	<b>2025</b>	<b>2024</b>
Due within a year	\$ 935,662	\$ 1,151,341
Due between one and five years, net of discount	110,993	209,445
<b>Net grants receivable</b>	<b>\$ 1,046,655</b>	<b>\$ 1,360,786</b>

# UNION OF CONCERNED SCIENTISTS, INC.

## Notes to Financial Statements

### Note 6 - Property and Equipment

Property and equipment consist of the following at September 30:

	<b>2025</b>	<b>2024</b>
Building and leasehold improvements	\$ 12,828,575	\$ 12,828,575
Equipment, furniture and fixtures	5,568,745	5,568,100
Capitalized software	<u>828,943</u>	<u>781,942</u>
Total property and equipment	19,226,263	19,178,617
Less: accumulated depreciation and amortization	<u>11,787,920</u>	<u>11,386,796</u>
<b>Property and equipment, net</b>	<b><u>\$ 7,438,343</u></b>	<b><u>\$ 7,791,821</u></b>

### Note 7 - Line of Credit

UCS has a line of credit agreement with a bank that provides for borrowings of up to \$5,000,000. Borrowings under the agreement are due on demand and bear interest at the prime rate, plus one-half percent, with a minimum rate of 4.5%. Borrowings are collateralized by a security interest in substantially all UCS's assets. There were no amounts outstanding under this agreement at September 30, 2025 and 2024. The line of credit is subject to annual renewal in July of each year.

### Note 8 - Leases

UCS has included in its computations of its ROU assets and related obligations operating costs included in the base rent agreement of its office space as a single component as permitted under lease accounting standards. These costs are adjusted periodically based on actual period costs and are charged to lease expense as incurred. Lease expense was approximately \$1,991,000 and \$2,010,000 for the years ended September 30, 2025 and 2024, respectively.

UCS's operating leases have the following other information for the years ended September 30:

	<b>2025</b>	<b>2024</b>
Cash paid for amounts included in the measurement of lease liabilities	\$ 2,134,238	\$ 2,150,552
Weighted average remaining lease term	1.89 years	2.52 years
Weighted average discount rate	4.50%	4.50%

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 8 - Leases (Continued)**

Approximate annual minimum non-cancelable rental payments under the operating lease agreements are as follows at September 30:

2026	\$ 1,446,899
2027	541,149
2028	<u>400,876</u>
 Total future minimum lease payments	 2,388,924
Less imputed interest	<u>(102,382)</u>
 <b>Total</b>	 <b>\$ <u>2,286,542</u></b>

UCS does not have any finance leases.

### **Note 9 - Net Assets**

#### ***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are as follows for the years ended September 30:

	<b>2025</b>	<b>2024</b>
Board designated and other	\$ 59,368,922	\$ 48,707,903
Net investment in property and equipment	<u>7,239,496</u>	<u>7,389,612</u>
	<b>\$ <u>66,608,418</u></b>	<b>\$ <u>56,097,515</u></b>

#### ***Net Assets Released from Restriction***

Net assets with donor restrictions were released from restriction as follows for the years ended September 30:

	<b>2025</b>	<b>2024</b>
Center for Science and Democracy Program	\$ 691,000	\$ 696,500
Climate and Energy Program	2,226,070	3,929,928
Clean Transportation Program	2,493,200	1,420,000
Global Security Program	234,250	316,000
Food and Environment Program	1,145,000	1,140,000
Western States	471,800	-
Other purpose and time restrictions	<u>325,195</u>	<u>185,130</u>
	<b>\$ <u>7,586,515</u></b>	<b>\$ <u>7,687,558</u></b>

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 9 - Net Assets (Continued)**

#### **Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes at September 30:

	<b>2025</b>	<b>2024</b>
<b><i>Purpose and time restricted</i></b>		
Center for Science and Democracy Program	\$ 202,200	\$ 36,000
Climate and Energy Program	327,220	725,342
Clean Transportation Program	306,242	150,000
Global Security Program	-	14,250
Food and Environment Program	225,000	750,000
Accumulated Unspent Gains on Charitable Gift Annuities	3,047,431	2,304,833
Other purpose and time restrictions	305,995	185,195
Total purpose and time restricted	4,414,088	4,165,620
 <b><i>Accumulated unspent gains on endowment net assets</i></b>		
	420,138	365,412
 <b><i>Endowment corpus</i></b>		
Total endowment	185,435 605,573	185,435 550,847
	<b>\$ 5,019,661</b>	<b>\$ 4,716,467</b>

### **Note 10 - Board Designated Funds and Endowment**

#### **Board Designated Funds**

The UCS Board has authorized the following related to the board designated funds:

- Net investment returns on invested reserves are recognized when earned.
- A spending policy whereby 4.25% of the historical twelve quarter average market value of the board designated reserves is the maximum amount available for program services to the extent needed. Need is defined as a loss before spending rate transfer but after consideration of realized planned giving spending (as per below) up to the amount required to balance operating results but not in excess of the amount authorized by the board.
- A policy allowing for 50% of current year realized planned gifts to be used to support operations if such revenues are without donor restrictions, with the remainder being designated by the Board for special purposes. The 50% is the maximum amount available with the use being determined as any amount required to balance operating results prior to consideration of the spending policy as per the above. No amounts are spent if need is not present.

# UNION OF CONCERNED SCIENTISTS, INC.

## Notes to Financial Statements

### Note 10 - Board Designated Funds and Endowment (Continued)

#### Board Designated Funds (Continued)

- Funds available for capital expenditure from the board designated reserves to cover current year fixed asset additions, net of depreciation.
- Additional use of the reserve to support operations as needed. During 2024 UCS initiated draws from board designated funds of \$7,250,000 that represent draws that were approved by the board in prior years (fiscal 2021 – 2023) but were not taken by UCS until 2024 and are therefore reflected in 2024 in the table below. Additionally, the board of directors has approved, for strategic purposes, supplemental draws of \$19,500,000 that can be taken by UCS through fiscal 2027. Future supplemental draws of \$13,602,270 are available to UCS at September 30, 2025.

The changes in board designated funds are as follows at September 30:

Investment return, net	9,447,654
Realized planned gifts allocable to board designated funds	2,890,851
Withdrawal from board designated funds	(1,993,240)
FY21 - 23 additional draws (see above)	(7,250,000)
FY24 strategic draw	<u>(5,000,000)</u>
Balance at September 30, 2024	54,237,823
Investment return, net	4,871,174
Realized planned gifts allocable to board designated funds	7,701,681
FY25 annual draw	(1,977,270)
FY25 strategic draw	<u>(897,730)</u>
<b>Balance at September 30, 2025</b>	<b><u>\$ 63,935,678</u></b>

#### Endowment

UCS's endowment consists of individual funds established for a variety of purposes. UCS has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the tracking of original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, UCS tracks the original value of gifts donated to the endowment, the original value of subsequent gifts to the endowment, and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted net assets is classified as accumulated unspent gain on net assets until those amounts are appropriated for expenditure by UCS.

# UNION OF CONCERNED SCIENTISTS, INC.

## Notes to Financial Statements

### Note 10 - Board Designated Funds and Endowment (Continued)

#### Endowment (Continued)

In accordance with UPMIFA, UCS considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of UCS and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of UCS
- The investment policies of UCS

The changes in endowment net assets are as follows at September 30:

Balance at September 30, 2023	\$	457,591
Investment return, net		<u>93,256</u>
Balance at September 30, 2024		550,847
Investment return, net		<u>54,726</u>
<b>Balance at September 30, 2025</b>	<b>\$</b>	<b><u><u>605,573</u></u></b>

### Note 11 - Retirement Plan

UCS has a qualified defined contribution retirement plan (the “plan”) organized under Internal Revenue Service Code Section 403(b). UCS contributes 8% of salaries and wages for employees after the completion of one year of service. UCS funds the plan on a semi-monthly basis and once contributions commence, they are vested. Employees are also allowed to make elective deferrals to the plan upon employment subject to regulatory limits. Expenses incurred under this plan were approximately \$1,886,000 and \$1,690,000 for the years ended September 30, 2025 and 2024, respectively. While UCS expects to continue the plan indefinitely, it has reserved the right to modify, amend or terminate the plan.

### Note 12 - Allocation of Joint Costs

UCS conducts joint activities that include fundraising appeals. Those activities primarily include direct mail campaigns. These costs are allocated between program costs and fundraising costs using a percentage method based on the number of lines in each campaign.

# UNION OF CONCERNED SCIENTISTS, INC.

## *Notes to Financial Statements*

### **Note 12 - Allocation of Joint Costs (Continued)**

Joint costs were allocated as follows for the years ended September 30:

	<b>2025</b>	<b>2024</b>
Center for Science and Democracy	\$ 306,869	\$ 543,862
Climate and Energy	411,709	338,543
Clean Transportation	233,404	119,117
Global Security	200,498	67,395
Food and Environment	<u>101,014</u>	<u>81,501</u>
Total	1,253,494	1,150,418
Fundraising	<u>811,174</u>	<u>888,674</u>
<b>Total joint costs</b>	<b><u>\$ 2,064,668</u></b>	<b><u>\$ 2,039,092</u></b>

### **Note 13 - Employee Retention Credit**

During 2024, UCS filed two separate applications for the Employee Retention Credit program for credits available under the program for wages paid during fiscal year 2021. At that time, management determined that the revenue was conditional and UCS had not met the barrier to entitlement of these amounts and thus did not record them amounts as revenue and grants receivable. During 2025, Management determined that they met the required barrier for both of the applications and recognized \$3,375,234 as revenue, which is reported in non-operating revenue in the statement of activities. The funds were received during 2025 and included interest on the credits giving timing of the final payments.

### **Note 14 - Contingencies**

Various legal matters arise in the normal course of UCS's operations. UCS believes that there are currently no outstanding matters which would have a material adverse effect on the financial position of UCS.