



Humanists

INTERNATIONAL

CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

HUMANISTS INTERNATIONAL, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	3-4
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities and Changes in Net Assets	6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-16

Independent Auditor's Report

To the Board of Directors of
Humanists International, Inc.

Opinion

We have audited the accompanying financial statements of Humanists International, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Humanists International, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Humanists International 2020, an organization in which Humanists International, Inc. is the sole member, which statements reflect total assets of \$648,708 as of December 31, 2024 and total revenues of \$695,330 for the year then ended. Those statements, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of Humanists International 2020, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Humanists International 2020, prior to these conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Humanists International, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Building African American Minds, Inc. as of and for the year ended December 31, 2023 were audited by other auditors whose report dated May 31, 2024 expressed an unmodified opinion on those statements.

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 Humanists International, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Humanists International, Inc.'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 Humanists International, Inc.'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.

Alta CPA Group, LLC

Annapolis, MD
April 28, 2025

HUMANISTS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 1,347,281	\$ 1,180,430
Cash Restricted for Endowment	105,888	105,888
Investments	2,999,144	2,757,056
Unconditional Promises to Give	37,183	411,986
Grants Receivable	-	20,889
Prepaid Expenses	<u>1,120</u>	<u>1,086</u>
Total Current Assets	<u>4,490,616</u>	<u>4,477,335</u>
Total Assets	\$ <u><u>4,490,616</u></u>	\$ <u><u>4,477,335</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ <u>64,118</u>	\$ <u>89,561</u>
Total Current Liabilities	<u>64,118</u>	<u>89,561</u>
Total Liabilities	64,118	89,561
Net Assets:		
Without Donor Restrictions	986,461	1,162,638
With Donor Restrictions	<u>3,440,037</u>	<u>3,225,136</u>
Total Net Assets	<u>4,426,498</u>	<u>4,387,774</u>
Total Liabilities and Net Assets	\$ <u><u>4,490,616</u></u>	\$ <u><u>4,477,335</u></u>

See independent auditor's report and accompanying notes to financial statements.

HUMANISTS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 559,320	\$ 123,506	\$ 682,826	\$ 855,607	\$ 391,048	\$ 1,246,655
Grant Revenue	22,563	-	22,563	299,963	-	299,963
Investment Income	7,277	242,088	249,365	8,003	464,385	472,388
Net Assets Released from Restrictions	150,693	(150,693)	-	478,235	(478,235)	-
Total Support and Revenue	739,853	214,901	954,754	1,641,808	377,198	2,019,006
EXPENSES						
Program Services						
Supporting and Developing Humanist Organizations	130,872	-	130,872	487,236	-	487,236
Supporting Humanists at Risk	81,703	-	81,703	64,204	-	64,204
Advocating Humanist Values	190,684	-	190,684	157,665	-	157,665
Supporting Services						
Management and General	383,576	-	383,576	248,037	-	248,037
Fundraising	94,290	-	94,290	113,817	-	113,817
Total Expenses	881,125	-	881,125	1,070,959	-	1,070,959
OTHER CHANGES						
Refund of Contributions	-	-	-	(39,420)	-	(39,420)
Loss on Foreign Currency Transactions	(34,905)	-	(34,905)	(91,263)	-	(91,263)
Change in Net Assets	(176,177)	214,901	38,724	440,166	377,198	817,364
Net Assets, Beginning of Year	1,162,638	3,225,136	4,387,774	722,472	2,847,938	3,570,410
Net Assets, End of Year	\$ <u>986,461</u>	\$ <u>3,440,037</u>	\$ <u>4,426,498</u>	\$ <u>1,162,638</u>	\$ <u>3,225,136</u>	\$ <u>4,387,774</u>

See independent auditor's report and accompanying notes to financial statements.

HUMANISTS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Program Services			Supporting Services		
	Supporting and Developing Humanist Organizations	Supporting Humanists at Risk	Advocating Humanist Values	Management and General	Fundraising	Total
	2024					
Personnel	\$ 51,144	\$ 68,489	\$ 188,096	\$ 181,001	\$ 77,405	\$ 566,135
Professional Fees	-	771	-	83,393	-	84,164
Grants and Assistance	75,084	11,947	2,092	-	-	89,123
Insurance	-	-	-	2,304	-	2,304
Office Expenses	426	496	496	21,970	16,885	40,273
Occupancy	-	-	-	2,569	-	2,569
Information Technology	-	-	-	37,241	-	37,241
Conferences and Meetings	-	-	-	55,098	-	55,098
Travel	4,218	-	-	-	-	4,218
Total Expenses	\$ 130,872	\$ 81,703	\$ 190,684	\$ 383,576	\$ 94,290	\$ 881,125
	2023					
Personnel	\$ 198,828	\$ 63,203	\$ 152,559	\$ 121,496	\$ 94,030	\$ 630,116
Professional Fees	75,935	-	-	47,785	-	123,720
Grants and Assistance	158,893	57	4,162	-	-	163,112
Insurance	-	-	-	3,549	-	3,549
Office Expenses	808	944	944	25,412	9,570	37,678
Occupancy	-	-	-	2,361	516	2,877
Information Technology	-	-	-	22,420	4,330	26,750
Conferences and Meetings	-	-	-	24,551	5,371	29,922
Travel	50,134	-	-	-	-	50,134
Miscellaneous	2,638	-	-	463	-	3,101
Total Expenses	\$ 487,236	\$ 64,204	\$ 157,665	\$ 248,037	\$ 113,817	\$ 1,070,959

See independent auditor's report and accompanying notes to financial statements.

HUMANISTS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 38,724	\$ 817,364
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	-	415
Net Realized and Unrealized (Gain) Loss on Investments	(181,268)	(410,199)
Changes in Operating Assets and Liabilities:		
Unconditional Promises to Give	374,803	(403,554)
Grants Receivable	20,889	(20,889)
Prepaid Expenses	(34)	1,324
Accounts Payable and Accrued Expenses	<u>(25,443)</u>	<u>39,415</u>
Net Cash Provided by Operating Activities	227,671	23,876
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Retained in Investments	<u>(60,820)</u>	<u>(54,185)</u>
Net Cash Used for Investing Activities	(60,820)	(54,185)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Restricted Cash	166,851	(30,309)
Cash and Restricted Cash at Beginning of Year	<u>1,286,318</u>	<u>1,316,627</u>
Cash and Restricted Cash at End of Year	\$ <u><u>1,453,169</u></u>	\$ <u><u>1,286,318</u></u>
SUPPLEMENTAL DISCLOSURE		
Cash and Restricted Cash is Comprised of the Following:		
Cash	\$ 1,347,281	\$ 1,180,430
Cash Restricted for Endowment	<u>105,888</u>	<u>105,888</u>
Cash and Restricted Cash	\$ <u><u>1,453,169</u></u>	\$ <u><u>1,286,318</u></u>

See independent auditor's report and accompanying notes to financial statements.

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Humanists International, Inc. and Humanists International 2020 (collectively, “Humanists International”) are charitable, nonprofit organizations located in the United States and United Kingdom. Inspired by humanist values, Humanists International is optimistic for a world where everyone can have a dignified and fulfilling life. Humanists International’s mission is to build, support, and represent the global humanist movement and work to champion human rights and secularism. Humanists International’s mission is underpinned by its values: democracy, human rights, and the rule of law. Humanists International is supported primarily by contributions and grants.

Basis of Presentation

The financial statements of Humanists International have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements reflect all significant receivables, payables and other liabilities.

Principles of Consolidation

The financial statements include the accounts of Humanists International, Inc. and Humanists International 2020 as Humanists International, Inc. is the sole member of Humanists International 2020. All significant inter-entity balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

The presentation of net assets follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. Humanists International reports information regarding its financial position and activities according to two classes of net assets – net assets without donor restrictions and net assets with donor restrictions – as follows:

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets Without Donor Restrictions – resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of Humanists International, the environment in which it operates, the purposes specified in its corporate documents, and its application for tax-exempt status.

Net Assets With Donor Restrictions – subject to donor restrictions that may or will be met by expenditures, actions, or the passage of time. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Investments

Humanists International reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities and changes in net assets.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated statements of financial position.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At December 31, 2024 and 2023, all unconditional promises to give are collectible within one year.

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Computers and Equipment

Humanists International capitalizes all significant expenditures for computers and equipment that are expected to have useful lives of greater than one year. Purchased computers and equipment are carried at cost. Depreciation is computed using the straight-line method. For the years ended December 31, 2024 and 2023, depreciation expense totaled \$0 and \$415, respectively.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Government Grants

Certain grants from government agencies are conditioned upon Humanists International incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by Humanists International, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel and office expenses, which are allocated on the basis of estimates of time and effort.

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Humanists International does not recognize short-term leases in the consolidated statements of financial position. For these leases, Humanists International recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Humanists International also does not separate non-lease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the non-lease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, Humanists International uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Income Tax Status

Humanists International is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Humanists International qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509 (a)(2). Humanists International 2020 is a registered charity and is not subject to UK Corporation Tax on its charitable activities.

Date of Management's Review

Management has evaluated subsequent events through April 28, 2025, the date which the financial statements were available to be issued.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

Humanists International maintains cash balances at a financial institution in the United States and a financial institution in the United Kingdom. Accounts at the institution in the United States are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, and accounts at the institution in the United Kingdom are insured by the Financial Services Compensation (FSC) Scheme up to a limit of £85,000 (approximately \$105,000). At times during the year, Humanists International's cash balances exceed the FDIC and FSC insurance amounts. At December 31, 2024 and 2023, Humanists International's uninsured cash balances totaled approximately \$1,097,000 and \$878,000, respectively.

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 - INVESTMENTS

Investments at December 31 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 229,148	\$ 168,328
Equities	2,119,630	1,930,147
Fixed Income Bonds	<u>650,366</u>	<u>658,581</u>
Total	\$ <u>2,999,144</u>	\$ <u>2,757,056</u>

Fair values of equities are valued at the closing price reported on the active market on which the funds are traded and are considered Level 1 fair value measurements. Fixed income bonds are valued using a market approach that uses as inputs observed interest rates and yield curves, prices in active market for similar assets, and prices for identical assets in inactive markets that have been adjusted by observable indexes, which are Level 2 fair value measurements.

NOTE 4 - LIQUIDITY AND AVAILABILITY

The following reflects Humanists International's financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for expenditures within one year of the date of the consolidated statements of financial position because of donor-imposed restrictions:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year-End:		
Cash and Restricted Cash	\$ 1,453,169	\$ 1,286,318
Investments	2,999,144	2,757,056
Unconditional Promises to Give	37,183	411,986
Grants Receivable	<u>---</u>	<u>20,889</u>
Total Financial Assets at Year-End	4,489,496	4,476,249
Less Amounts Not Available within One Year:		
Restricted by Donors	<u>(3,440,037)</u>	<u>(3,201,097)</u>
Financial Assets Available to Meet Cash Needs for General Expenditure within One Year	\$ <u>1,049,459</u>	\$ <u>1,275,152</u>

As part of Humanists International's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. From time-to-time, Humanists International receives contributions from a related party, which could be requested in the event of an unanticipated liquidity need.

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Congress Travel Fund	\$ ---	\$ 22,571
Growth and Development	---	12,655
Humanists at Risk MB	1,910	7,015
Human Wisdom Project	315,223	315,223
Subsequent Year Operations	37,183	24,039
Subject to Humanists International's Spending Policy:		
IHEU Endowment Fund	105,888	105,888
Victor Kay Humanitarian Endowment	<u>2,979,833</u>	<u>2,737,745</u>
Total Net Assets with Donor Restrictions	\$ <u>3,440,037</u>	\$ <u>3,225,136</u>

NOTE 6 - ENDOWMENT

Humanists International's endowment is a donor-restricted fund established to support general operations of Humanists International. The Board of Directors of Humanists International has enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Humanists International considers a fund to be underwater if the fair value of the fund is less than the sum (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the discretion of the applicable donor gift instrument. Humanists International has interpreted the NYPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

In accordance with the NYPMIFA, Humanists International considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of Humanists International 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 Humanists International, and (7) Humanists International's investment policies.

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6 - ENDOWMENT (CONTINUED)

Investment Return Objectives, Risk Parameters, and Strategies

Humanists International has adopted investment and spending policies for endowment assets that are directed toward long-term performance and total return, rather than specific income goals. Endowment assets include those assets of donor-restricted funds that Humanists International must hold in perpetuity. Under this policy, as approved the board of directors, the endowment assets are invested in a manner that is intended to provide for growth of capital and produce returns to fund operations, while assuming a moderate level of investment risk. To satisfy its long-term rate-of-return objectives, Humanists International relies on a total return strategy in which investment returns are achieved through both realized and unrealized gains/losses and interest and dividends. Humanists International targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

Absent explicit donor stipulations, Humanists International has a policy of allowing for appropriation for distribution each year of approximately 3% of the fund balance annually. This amount may vary annually depending upon the need to cover operating expenses. Over time, Humanists International expects its endowment assets to maintain sufficient cash reserves to provide liquidity and to meet needs without loss of capital value of assets. Any undistributed income in excess of amounts required to satisfy the spending rule shall be accumulated and added to the principal. In establishing this policy, Humanists International expects to achieve the objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. Humanists International has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Underwater Endowment Funds

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the NYPMIFA requires Humanists International to retain as a fund of perpetual duration. At December 31, 2024 and 2023, there are no donor-restricted endowment funds with deficiencies.

HUMANISTS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6 - ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of December 31 is as follows:

	<u>2024</u>	<u>2023</u>
Donor-Restricted Endowment Funds:		
Original Donor-Restricted Gift Amount	\$ 2,605,888	\$ 2,605,888
Accumulated Investment Gains (Losses)	<u>479,833</u>	<u>237,745</u>
Total Endowment Funds	\$ <u>3,085,721</u>	\$ <u>2,843,633</u>

Change in endowment net assets for the year ended December 31 is as follows:

	<u>2024</u>	<u>2023</u>
Endowment Net Assets at Beginning of Year	\$ 2,843,633	\$ 2,379,249
Investment Return, Net	<u>242,088</u>	<u>464,384</u>
Endowment Net Assets at End of Year	\$ <u>3,085,721</u>	\$ <u>2,843,633</u>

NOTE 7 - COMPUTERS AND EQUIPMENT

	<u>2024</u>	<u>2023</u>
Computers and Equipment	\$ ---	\$ ---
Accumulated Depreciation	<u>---</u>	<u>---</u>
Computers and Equipment, Net	\$ <u>---</u>	\$ <u>---</u>

NOTE 8 - RETIREMENT PLAN

Humanists International offers its employees a pension plan to which to contribute, in which both Humanists International and eligible employees can contribute. Humanists International will contribute between 4% and 8% of eligible wages to employees' pension plans, depending upon individual employment contracts. For the years ended December 31, 2024 and 2023, retirement plan expense totaled approximately \$18,660 and \$17,068, respectively.

NOTE 9 - CONTINGENCY

Reimbursements from government grant-related expenses and overhead applicable to programs are subject to audits by the government agencies, which may result in adjustments for disallowed costs. No determination has been made regarding the effect, if any, such audits could have on the financial statements.