

Financial Statements and Report of
Independent Certified Public
Accountants

Amnesty International of the U.S.A., Inc.

December 31, 2023 and 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Amnesty International of the U.S.A., Inc.

Opinion

We have audited the financial statements of Amnesty International of the U.S.A., Inc. ("AIUSA"), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 AIUSA as of December 31, 2023 and 2022, 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 AIUSA 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 AIUSA's ability to continue as a going concern for one year after the date 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 US 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 US 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 AIUSA'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 AIUSA'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.

Grant Thornton LLP

New York, New York
June 13, 2024

Amnesty International of the U.S.A., Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2023	2022
ASSETS		
Cash and cash equivalents (Note 2)	\$ 16,141,904	\$ 21,173,052
Investments, at fair value (Notes 2, 3 and 6)	23,376,939	20,539,492
Contributions receivable (Note 4)	2,543,469	2,644,700
Prepaid expenses and other assets	687,098	1,210,064
Right-of-use asset (Note 13)	9,148,347	9,629,006
Fixed assets, net (Notes 2 and 5)	847,634	724,825
Total assets	\$ 52,745,391	\$ 55,921,139
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,545,036	\$ 1,316,865
Payroll and payroll taxes payable	1,169,753	919,657
International Secretariat assessment payable (Note 9)	2,746,364	8,813,969
Charitable gift annuity obligation (Note 6)	1,363,507	1,466,133
Lease liability (Note 13)	10,052,209	10,530,194
Total liabilities	16,876,869	23,046,818
Net assets		
Without donor restrictions		
Undesignated	25,198,119	24,783,205
Board-designated transition fund	2,271,958	2,835,806
Total net assets without donor restrictions	27,470,077	27,619,011
With donor restrictions (Notes 7 and 8)	8,398,445	5,255,310
Total net assets	35,868,522	32,874,321
Total liabilities and net assets	\$ 52,745,391	\$ 55,921,139

The accompanying notes are an integral part of these financial statements.

Amnesty International of the U.S.A., Inc.

STATEMENTS OF ACTIVITIES

Years ended December 31,

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and support						
Contributions	\$ 47,360,142	\$ 949,705	\$ 48,309,847	\$ 48,548,905	\$ 1,213,834	\$ 49,762,739
Grants from foundations	25,000	122,500	147,500	149,349	107,160	256,509
Bequests and planned giving	10,926,649	3,039,265	13,965,914	9,930,860	156,578	10,087,438
International Secretariat grants and pass-through grants	300,687	-	300,687	115,252	-	115,252
Donated services (Note 10)	33,404	-	33,404	560,661	-	560,661
Literature and merchandise sales (net of cost of goods sold of \$8,692 and \$11,939 in 2023 and 2022, respectively)	37,391	-	37,391	60,886	-	60,886
Miscellaneous revenue	288,268	2,413	290,681	105,172	15,150	120,322
Net assets released from restrictions (Note 7)	1,511,188	(1,511,188)	-	1,202,350	(1,202,350)	-
Total operating revenue and support	60,482,729	2,602,695	63,085,424	60,673,435	290,372	60,963,807
Expenses						
Program services	44,110,490	-	44,110,490	43,392,163	-	43,392,163
Management and general	3,655,702	-	3,655,702	2,824,036	-	2,824,036
Fundraising	14,604,357	-	14,604,357	14,959,497	-	14,959,497
Total expenses	62,370,549	-	62,370,549	61,175,696	-	61,175,696
(Decrease) increase in net assets before nonoperating activities	(1,887,820)	2,602,695	714,875	(502,261)	290,372	(211,889)
Nonoperating activities						
Change in value of gift annuity obligations	(69,485)	-	(69,485)	(95,266)	-	(95,266)
Investments return, net of fees	1,808,371	540,440	2,348,811	(2,830,340)	(898,652)	(3,728,992)
Total nonoperating activities	1,738,886	540,440	2,279,326	(2,925,606)	(898,652)	(3,824,258)
CHANGES IN NET ASSETS	(148,934)	3,143,135	2,994,201	(3,427,867)	(608,280)	(4,036,147)
Net assets, beginning of year	27,619,011	5,255,310	32,874,321	31,046,878	5,863,590	36,910,468
Net assets, end of year	\$ 27,470,077	\$ 8,398,445	\$ 35,868,522	\$ 27,619,011	\$ 5,255,310	\$ 32,874,321

The accompanying notes are an integral part of these financial statements.

Amnesty International of the U.S.A., Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 8,415,040	\$ 1,905,636	\$ 3,300,900	\$ 13,621,576
Payroll taxes and employee benefits	1,867,465	410,617	729,073	3,007,155
Direct communications	15,379,933	-	3,291,652	18,671,585
International Secretariat assessment (Note 9)	11,423,527	-	-	11,423,527
Donated services (Note 10)	20,200	4,550	8,654	33,404
Occupancy	738,351	166,322	323,442	1,228,115
Professional fees	2,051,648	646,421	1,284,944	3,983,013
Travel and meetings	932,311	239,897	103,454	1,275,662
Program materials and office supplies	2,076,573	13,788	3,480,369	5,570,730
Telecommunication and technology	186,521	38,186	95,664	320,371
Bank and insurance fees	125,277	50,081	951,127	1,126,485
Postage and delivery	20,516	52,770	575,276	648,562
Equipment repair and maintenance	3,398	647	1,231	5,276
Dues and subscriptions	641,262	106,107	419,136	1,166,505
Grants and awards	136,661	-	100	136,761
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation and amortization	44,018,683	3,635,022	14,565,022	62,218,727
Depreciation and amortization	91,807	20,680	39,335	151,822
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 44,110,490</u>	<u>\$ 3,655,702</u>	<u>\$ 14,604,357</u>	<u>\$ 62,370,549</u>

The accompanying notes are an integral part of this financial statement.

Amnesty International of the U.S.A., Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 7,101,709	\$ 1,289,047	\$ 2,517,491	\$ 10,908,247
Payroll taxes and employee benefits	1,439,861	246,188	525,776	2,211,825
Direct communications	14,946,354	-	5,595,204	20,541,558
International Secretariat assessment (Note 9)	12,975,336	-	-	12,975,336
Donated services (Note 10)	354,922	63,793	141,946	560,661
Occupancy	1,094,454	196,713	440,486	1,731,653
Professional fees	1,936,220	728,693	1,317,833	3,982,746
Travel and meetings	321,493	82,200	73,810	477,503
Program materials and office supplies	2,020,126	5,366	2,298,553	4,324,045
Telecommunication and technology	206,301	29,327	94,520	330,148
Bank and insurance fees	132,955	48,686	1,180,760	1,362,401
Postage and delivery	16,138	44,612	288,601	349,351
Equipment repair and maintenance	2,417	336	748	3,501
Dues and subscriptions	517,679	68,814	438,685	1,025,178
Grants and awards	213,471	-	-	213,471
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation and amortization	43,279,436	2,803,775	14,914,413	60,997,624
Depreciation and amortization	112,727	20,261	45,084	178,072
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Total	<u>\$ 43,392,163</u>	<u>\$ 2,824,036</u>	<u>\$ 14,959,497</u>	<u>\$ 61,175,696</u>

The accompanying notes are an integral part of this financial statement.

Amnesty International of the U.S.A., Inc.

STATEMENTS OF CASH FLOWS

Years ended December 31,

	2023	2022
Cash flows from operating activities:		
Changes in net assets	\$ 2,994,201	\$ (4,036,147)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	151,822	178,072
Net realized losses on investments	346,755	57,806
Net unrealized (gains) losses on investments	(2,411,850)	3,902,193
Donated investments	(1,351,667)	(661,169)
Amortization of right-of-use asset	894,451	1,427,910
Changes in assets and liabilities:		
Contributions receivable	101,231	(1,052,766)
Prepaid expenses	522,966	(252,707)
Accounts payable and accrued expenses	228,171	429,462
Payroll and payroll taxes payable	250,096	(151,586)
International Secretariat assessment payable	(6,067,605)	5,681,265
Lease liability	(891,777)	(1,425,426)
Charitable gift annuity obligations	(102,626)	(85,215)
	(5,335,832)	4,011,692
Net cash (used in) provided by operating activities		
Cash flows from investing activities:		
Purchases of fixed assets	(274,632)	(129,600)
Purchases of investments	(3,837,097)	(3,293,352)
Proceeds from sales of investments	4,416,413	3,984,371
	304,684	561,419
Net cash provided by investing activities		
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,031,148)	4,573,111
Cash and cash equivalents, beginning of year	21,173,052	16,599,941
Cash and cash equivalents, end of year	\$ 16,141,904	\$ 21,173,052
Supplementary information:		
Donated investments	\$ 1,351,667	\$ 661,169
Right-of-use asset obtained in exchange for new lease liabilities	\$ 413,792	\$ 11,056,916

The accompanying notes are an integral part of these financial statements.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 1 - DESCRIPTION OF ORGANIZATION

Amnesty International of the U.S.A., Inc. ("AIUSA") is the U.S. section of Amnesty International Limited ("AI"), a worldwide movement of people who campaign for internationally recognized human rights. Our vision is of a world in which every person - regardless of race, religion, ethnicity, sexual orientation, or gender identity - enjoys all the human rights enshrined in the Universal Declaration of Human Rights and other internationally recognized human rights standards.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations. In the statements of financial position, assets are presented in order of liquidity or conversion to cash, and liabilities are presented according to their maturity, resulting in the use of cash.

Financial Statement Presentation

The classification of AIUSA's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each class of net assets (i.e., net assets with donor restrictions and net assets without donor restrictions) be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Income from investment gains and losses, including unrealized gains and losses, dividends, interest, contributions, and other inflows, are reported as increases (or decreases) in net assets without donor restrictions unless the use of the income received is limited by donor-imposed restrictions.

The classes of net assets are defined as follows:

Without donor restrictions - Represent net assets that are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Directors and management, for AIUSA to utilize in any of its programs or supporting services. AIUSA's Board of Directors may design net assets without donor restrictions for special purposes.

With donor restrictions - Represent net assets that are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. Net assets with donor restrictions are subject to donor-imposed restrictions that require AIUSA to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, when a purpose restriction is fulfilled, or when a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Net assets with donor restrictions also include the corpus of gifts, which must be maintained in perpetuity but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations, if any.

Measure of Operations

AIUSA includes in its definition of operations all revenue and expenses that are an integral part of its programs and supporting activities. Investment income, including net, realized and unrealized gains and

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

losses, the change in the value of gift annuity obligations, and other items considered unusual or non-recurring, are recognized as part of nonoperating activities.

Cash and Cash Equivalents

AIUSA considers all investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Financial instruments that potentially subject AIUSA to a concentration of credit risk consist primarily of cash and cash equivalents. At various times, AIUSA has cash deposits at financial institutions exceeding Federal Deposit Insurance Corporation insurance limits. These financial institutions have strong credit ratings, and management believes that credit risk related to these accounts is immaterial.

Investments

Accounting Standards Codification ("ASC") 820-10, *Fair Value Measurements*, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as AIUSA would use in pricing AIUSA's asset or liability based on independently derived and observable market data as of the reporting date. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of AIUSA are traded. AIUSA estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants with investments in the same or similar assets would use as determined by the money managers for each investment based on the best information available. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

- Level 1 - Valuation based on quoted market prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, the valuation of these instruments does not entail a significant degree of judgment. Examples include equity securities and publicly traded mutual funds that are actively traded on a major exchange or over-the-counter market;
- Level 2 - Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly, and
- Level 3 - Valuation is based on unobservable inputs and reflects management's best estimate of what market participants would use as fair value. Examples include limited partnerships, private equity investments, and similar instruments.

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

Investments are stated at fair value on the statement of financial position. Investment income is recognized when earned. Net realized gains and losses and net change in unrealized gains and losses for the fiscal year are shown on the statement of activities. Dividends are recorded on the ex-dividend date, net of fees. Purchases and sales are recorded on a trade-date basis.

Contributions Receivable

Contributions and bequests are recorded as revenues at fair value as net assets with donor restrictions or net assets without donor restrictions, depending on the existence or nature of any donor-imposed restrictions, and are recognized in the period received.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Allowance for Doubtful Accounts

AIUSA uses the allowance method for uncollectible receivables. The allowance is based on prior years' experience and management's analysis and evaluation of specific promises made. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

Fixed Assets

Fixed assets are recorded at cost. Expenditures for additions are capitalized for amounts greater than \$5,000 and with five years or greater useful lives. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Furniture, fixtures, and office equipment	5 years
Leasehold improvements	Lesser of life of asset or term of lease

Leases

AIUSA adopted Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)* as of January 1, 2022, using a modified retrospective transition method. After adopting this standard, AIUSA determined if an arrangement contained a lease at inception based on whether there was an identified asset and whether AIUSA controlled the use of the identified asset throughout the period of use. AIUSA classifies leases as either financing or operating. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent AIUSA's right to use an underlying asset for the lease term. Lease liabilities represent AIUSA's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. The present value of lease payments is discounted based on the risk-free rate. Expenses related to leases determined to be operating leases are recognized on a straight-line basis. In contrast, those determined to be finance leases are recognized following a front-loaded expense pattern in which interest and amortization are presented separately in the statement of activities.

AIUSA assessed whether a lease is classified as an operating or a finance lease at the commencement of the lease.

AIUSA's ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred, and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

Revenue Recognition

AIUSA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. Restricted contributions received in the same year the restrictions are met are recorded as an increase to restricted support at the time of receipt and as net assets released from restrictions. Conditional promises to give are only recognized once they become unconditional when the satisfaction of

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

any barriers occurs. Unconditional promises to give with payments due in future years are presumed to be time-restricted by the donor until received. They are reported as part of net assets with donor restrictions.

AIUSA recognizes gifts of land, buildings, and equipment at fair value on the gift date. Gifts of land, buildings, and equipment are reported as general operating support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long such long-lived assets must be maintained, AIUSA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

AIUSA also receives grants from foundations for the performance of various services. AIUSA recognizes grants as donor-restricted revenue when all barriers to entitlement are satisfied, if any, and releases such amounts into net assets without donor restriction as related grant expenses are incurred to a maximum of the grant award.

AIUSA recognizes revenue from donor list rentals, which is included within miscellaneous revenue in the statement of activities, upon receipt of payment from their list broker on a monthly basis. AIUSA recognizes revenue from literature and merchandise sales upon the shipment of goods.

In-kind Donations

The fair value of in-kind donations is reported in the financial statements if those donations create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and which would typically be purchased if not otherwise provided by donation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of AIUSA have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and support services, based principally on time and effort.

Allocation of Joint Costs

The cost of joint activities relative to AIUSA's direct mail program and certain centrally billed costs are allocated amongst the appropriate functions benefitted.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and other disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

Income Taxes

AIUSA follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

AIUSA is exempt from federal income tax under the Internal Revenue Code ("IRC") Section 501(c)(3). However, it is subject to tax on income unrelated to its exempt purpose unless that income is otherwise

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

excluded by the IRC. AIUSA has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated business income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. AIUSA has determined that no material uncertain tax positions require recognition or disclosure in its financial statements. In addition, AIUSA has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

NOTE 3 - INVESTMENTS

Investments, at fair value, at December 31, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,335,332	\$ 659,139
Certificate of deposit	384,552	384,552
Equities - mutual fund	12,315,376	12,553,413
Fixed income - bond index fund	<u>9,341,679</u>	<u>6,942,388</u>
	<u>\$ 23,376,939</u>	<u>\$ 20,539,492</u>

Net investment return consists of the following for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Net realized losses on investments	\$ (346,755)	\$ (57,806)
Net unrealized gains (losses) on investments	2,411,850	(3,902,193)
Interest and dividends, net of fees	<u>283,716</u>	<u>231,007</u>
	<u>\$ 2,348,811</u>	<u>\$ (3,728,992)</u>

AIUSA's assets and liabilities recorded at fair value have been categorized based on a fair value hierarchy in accordance with ASC 820. See Note 2 for a discussion of AIUSA's policies regarding this hierarchy.

A description of the valuation techniques applied to AIUSA's significant categories of investment assets measured at fair value on a recurring basis follows:

Equities

AIUSA holds positions in a social index mutual fund. This mutual fund tracks a benchmark of large and mid-capitalization stocks that have been screened for certain social, human rights, and environmental criteria. The prices used to value these investments are based on observable market data and are classified as Level 1.

Fixed Income

AIUSA has positions in an intermediate-term bond index fund. This mutual fund offers a low-cost, diversified approach to fixed-income investing and provides broad exposure to U.S. investment-grade bonds with maturities from five to 10 years. These securities are categorized as Level 1 and observable market data is used to value these investments.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

The following tables present the level within the fair value hierarchy at which AIUSA's investment assets that are measured at fair value on a recurring basis are included. These assets are disaggregated by class and determined by the nature and risk associated with each investment.

<u>Description</u>	Fair Value Measurement at Reporting Date Using			Balance as of December 31, 2023
	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Cash and cash equivalents	\$ 1,335,332	\$ -	\$ -	\$ 1,335,332
Certificate of deposit	384,552	-	-	384,552
Equities - mutual funds	12,315,376	-	-	12,315,376
Fixed income - Intermediate-term bond index fund	9,341,679	-	-	9,341,679
Total	\$ 23,376,939	\$ -	\$ -	\$ 23,376,939

<u>Description</u>	Fair Value Measurement at Reporting Date Using			Balance as of December 31, 2022
	Quoting Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Cash and cash equivalents	\$ 659,139	\$ -	\$ -	\$ 659,139
Certificate of deposit	384,552	-	-	384,552
Equities - mutual funds	12,553,413	-	-	12,553,413
Fixed income - Intermediate-term bond index fund	6,942,388	-	-	6,942,388
Total	\$ 20,539,492	\$ -	\$ -	\$ 20,539,492

There were no transfers of investment assets between levels during the years ended December 31, 2023 and 2022.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

On December 31, 2023 and 2022, the net present value of contributions receivable totaled \$2,543,469 and \$2,644,700, respectively. As of December 31, 2023 and 2022, all contributions were expected to be collected within one year, and accordingly, there was no net present value discount recorded.

AIUSA expects to receive cash, investment, and other assets from various estates. At present, the terms and amounts of these contributions have not been finalized, and accordingly, no amounts pertaining to such conditional gifts have been recognized in the accompanying financial statements.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE 5 - FIXED ASSETS, NET

Fixed assets, net, at December 31, 2023 and 2022 consist of the following:

	2023	2022
Furniture and fixtures	\$ 349,685	\$ 349,685
Office equipment	1,089,198	684,967
Leasehold improvements	353,365	353,365
Web design cost	-	129,600
	1,792,248	1,517,617
Less: accumulated depreciation and amortization	(944,614)	(792,792)
Fixed assets, net	\$ 847,634	\$ 724,825

For the years ended December 31, 2023 and 2022, depreciation and amortization totaled \$151,822 and \$178,072, respectively.

NOTE 6 - SPLIT-INTEREST AGREEMENTS

AIUSA administers the following two types of split-interest agreements:

Charitable Gift Annuity - Under Charitable Gift Annuity agreements with donors, donors make contributions in exchange for a promise to receive a fixed amount over a specified period of time, usually the life of the respective donor or stipulated beneficiary. During the agreement term, AIUSA acts as a custodian of these funds, whereby the asset and the net present value of related liabilities pertaining to amounts payable to annuitants are reflected in the statement of financial position. After the termination of the agreement, the remaining assets, if any, belong to AIUSA. On December 31, 2023 and 2022, the charitable gift annuity investment account had a fair value of \$2,519,058 and \$2,418,236, respectively. The related liability amounted to \$1,363,507 and \$1,466,133, respectively, including a reserve for \$177,849 and \$191,235, respectively, which are included on the accompanying statements of financial position. The 2012 IAR mortality table was used to calculate the charitable gift annuity obligation as of December 31, 2023 and 2022. The discount rates for determining the liabilities as of December 31, 2023 and 2022 ranged from 0.60% to 8.20%.

Pooled Income Fund - Under the pooled income fund's terms, donors' contributions are invested in a pooled investment account. This account is divided into units, and contributions from various donors are invested in as a group. At the date of donation, donors are assigned a specific number of units based on the fair value of their donation compared to the total value of the fund. The donors receive actual income earned by the fund based on the number of units throughout their lives. Upon their demise, the value of their assigned units reverts to AIUSA. The contribution of the arrangement is recognized as part of net assets with donor restrictions in the statement of activities in the period received. On December 31, 2023 and 2022, the pooled income fund had a fair value of \$232,253 and \$215,403, respectively.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE 7 - RESTRICTED NET ASSETS

Net assets with donor restrictions and which are wholly expendable for the following purposes on December 31, 2023 and 2022 are as follows:

	2023	2022
Racial Justice, Women & Children Rights and Others	\$ 2,586,566	\$ 206,162
Gun Violence	42,500	33,333
Refugee and Immigrants	351,186	226,832
Ladis Kristof Memorial Fund	22,130	21,430
Human Rights in Middle East and North Africa	51,214	67,829
Youth Leadership Fellowship	364,735	225,231
Individuals at Risk	202,081	56,667
Death Penalty Abolition	75,121	81,787
AI and Human Rights	7,769	-
Why Not Initiative	581,166	513,619
Pooled Income Fund	232,253	215,403
Afghanistan	50,000	40,000
Robert Bosch - Technology & Inequality	169,257	261,334
BETHERE	15,050	50,000
Net endowment return (subject to Board appropriation for expenditure)	1,304,368	1,012,634
	\$ 6,055,396	\$ 3,012,261

Net Assets Released from Restrictions

The amount of net assets released from restrictions during each of the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Racial Justice, Women & Children Rights and Others	\$ 450,221	\$ 353,718
Gun Violence	33,334	35,000
Refugee and Immigrants	95,697	226,295
Ladis Kristof Memorial Fund	9,300	9,245
Student and Local Group	2,413	15,150
Human Rights in Middle East and North Africa	36,615	138,259
Youth Leadership Fellowship	135,496	45,661
Individuals at Risk	390,828	35,000
Death Penalty Abolition	18,667	16,389
Advocacy	-	108,785
Pooled Income Fund	4,534	3,251
Ukraine Crisis Response	-	53,827
BETHERE	50,000	-
Robert Bosch - Technology & Inequality	92,077	-
AI and Human Rights	32,231	-
Net endowment return	159,775	161,770
	\$ 1,511,188	\$ 1,202,350

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE 8 - ENDOWMENTS - NET ASSET CLASSIFICATIONS

AIUSA maintains a donor-restricted endowment fund consisting of various investment funds established for multiple purposes and classified as part of net assets with donor restrictions.

Under ASC 958-205, the following applies to AIUSA's endowment funds.

Interpretation of Relevant Law - the spending of endowment funds by a not-for-profit corporation in the State of New York is currently governed by the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), a modified version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), as enacted in 2010 in the New York Not-For-Profit Corporation Law. AIUSA has interpreted NYPMIFA as allowing the governing board of the organization to make available for expenditure as much of an endowment fund, including principal, as the governing board determines to be prudent, taking into consideration the "uses, benefits, purposes and duration" for which the fund was established. The governing board must act in good faith. It must consider various relevant factors when making decisions, including the organization's investment policy, the organization's and the fund's purposes, and general economic conditions.

The Board of Directors of AIUSA has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the endowment fund, which is classified as part of net assets with donor restrictions, includes the following:

- The original value of gifts donated to the permanent endowment.
- The original value of subsequent gifts to the permanent endowment and,
- Accumulations to the permanent endowment are made in accordance with the direction of applicable donor instructions.

Investment and Spending Policies - AIUSA has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to fund various programs while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that AIUSA must hold in perpetuity as directed by the donors. The endowment funds are invested in vehicles such as mutual funds, bonds, and equity securities.

AIUSA considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds;
- The purposes of AIUSA and its donor-restricted endowment funds;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation (depreciation) of investments;
- Other resources of AIUSA and
- The investment policy of AIUSA.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

On December 31, 2023 and 2022, donor-restricted contributions held in perpetuity, the income from which is expendable for the following purposes, are as follows:

	<u>2023</u>	<u>2022</u>
General endowment	\$ 476,215	\$ 476,215
Stronach Fund for Women's Rights	519,874	519,874
Ginetta Sagan Fund	646,960	546,960
Alexandra Hawkins Trust	<u>700,000</u>	<u>700,000</u>
	<u>\$ 2,343,049</u>	<u>\$ 2,243,049</u>

The following table provides a reconciliation of the change in AIUSA's donor-restricted endowment fund net assets for the years ended December 31, 2023 and 2022:

	<u>2023</u>		
	<u>With Donor Restrictions</u>		
	<u>Original Gift Amount</u>	<u>Accumulated Gains (Losses) and Other</u>	<u>Total</u>
Endowment net assets, at beginning of year	\$ 2,243,049	\$ 1,012,633	\$ 3,255,682
Contributions	100,000	-	100,000
Investment income, net of fees	-	51,039	51,039
Net appreciation	-	400,471	400,471
Appropriation of endowment assets for expenditure	-	<u>(159,775)</u>	<u>(159,775)</u>
Endowment net assets, at end of year	<u>\$ 2,343,049</u>	<u>\$ 1,304,368</u>	<u>\$ 3,647,417</u>
		<u>2022</u>	
		<u>With Donor Restrictions</u>	
	<u>Original Gift Amount</u>	<u>Accumulated Gains (Losses) and Other</u>	<u>Total</u>
Endowment net assets, at beginning of year	\$ 2,243,049	\$ 1,917,196	\$ 4,160,245
Investment income, net of fees	-	40,349	40,349
Net depreciation	-	(783,142)	(783,142)
Appropriation of endowment assets for expenditure	-	<u>(161,770)</u>	<u>(161,770)</u>
Endowment net assets, at end of year	<u>\$ 2,243,049</u>	<u>\$ 1,012,633</u>	<u>\$ 3,255,682</u>

AIUSA has adopted investment and spending policies for its restricted assets that attempt to provide reserves in the event of a cash shortfall or unanticipated change in its operating environment and/or to provide an income stream for AIUSA. The minimum targeted rate of return on AIUSA's investment assets is based on meeting or exceeding benchmark indicators established for each of its accounts, including reserves, several endowment accounts, several charitable gift annuity accounts, and a pooled income fund account.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

Under this policy, as approved by the Investment Committee and the Board of Directors, the investment performance of AIUSA's portfolio will be measured relative to the market benchmarks, depending on the type of account.

To satisfy its long-term rate of return objectives, AIUSA 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). AIUSA targets a diversified asset allocation primarily invested in common stocks and bonds/other short-term investments within prudent risk constraints to achieve its long-term return objectives while also preserving capital. In establishing this policy, AIUSA considers the long-term expected return of its endowment and the objective of spending a portion of donations on program activities. To preserve the endowment funds' long-term purchasing power, AIUSA will make available to be spent each year 4% of the rolling fair value average of the investment portfolio for the last eight quarters or the spending policy set forth by the respective donor agreement to comply with NYPMIFA. These spending policies will be measured annually against the rebuttable presumption of imprudence test required to determine compliance with NYPMIFA. The sources of spending will be from interest, dividends, and capital gains, net of investment management fees. AIUSA will draw from underwater endowment funds, if any when determined to be prudent.

NOTE 9 - TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

AI is a not-for-profit United Kingdom corporation overseen by the International Secretariat, which performs research and other functions in support of its affiliated organizations worldwide. AIUSA is one of many affiliated national organizations contributing funds to support AI's program activities through an annual assessment. For the years ended December 31, 2023 and 2022, this assessment, including voluntary contributions, totaled \$11,423,527 and \$12,975,336, respectively. These contributions support research into human rights violations worldwide and the coordination of international efforts to stop them. Funds also go to prevent and end grave abuses of the rights to physical and mental integrity, freedom of conscience and expression, and freedom from discrimination. The global movement seeks to grow activities "closer to the ground," which involves decentralizing operations focusing on work in the global south. This includes support for international collaboration and program development as well as participation in or convening international meetings furthering the goals of the collective movement.

NOTE 10 - IN-KIND DONATIONS

In-kind donations are recognized as contributions if the donation creates or enhances non-financial assets or requires specialized skills, is performed by people with those skills, and would otherwise be purchased by AIUSA if not provided by donation. For the years ended December 31, 2023 and 2022, AIUSA recorded donated legal services and others at an estimated fair value of \$33,404 and \$560,661, respectively. Fair value was determined based on law firms providing pro-bono legal services. AIUSA also depends on many unpaid volunteers who contribute significantly to its programs. These volunteer services do not meet the criteria for recognition and have not been recorded in the accompanying financial statements.

NOTE 11 - RETIREMENT PLANS

AIUSA has defined contribution retirement plans covering substantially all employees who meet certain length-of-service and age requirements. After one year of employment, AIUSA matches an employee's voluntary contribution to the 403(b) plan up to a maximum of 5% of eligible earnings. Participants are fully vested immediately, and their contributions are nonforfeitable. The retirement expenses totaled \$487,614 and \$398,765 for the years ended December 31, 2023 and 2022, respectively.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

AIUSA has defined contribution plans available to all AIUSA employees for elective deferral. Participation becomes effective as of the first day of employment. Each year, participants are permitted to contribute to the plan in an amount not exceeding the dollar limitation, as prescribed by the IRC.

NOTE 12 - JOINT COSTS

For the years ended December 31, 2023 and 2022, AIUSA incurred joint costs of \$18,671,585 and \$20,541,558, respectively (other than donated services), for information materials and activities that included fundraising appeals. Of these costs, \$15,379,933 and \$14,946,354, respectively, were allocated to direct communication expenses.

NOTE 13 - LEASES

The adoption of ASC 842 *Leases* impacted AIUSA's statement of financial position and its statement of activities. As part of the transition, AIUSA elected the following practical expedients:

- Package of practical expedients that eliminates the need to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date.

For existing leases, AIUSA did not elect the use of hindsight and did not reassess lease terms upon adoption.

During fiscal 2022, AIUSA adjusted the opening operating ROU asset balance based on its remaining deferred rent liabilities. On January 1, 2022, AIUSA recorded \$11,056,916 in operating lease ROU assets and \$11,955,620 in operating lease liabilities. Adopting ASC 842 had no significant impact on AIUSA's changes in net assets.

As of December 31, 2023, AIUSA had additional operating leases that have yet to commence of \$1,697,361. These leases will begin in 2025 and will be recognized in AIUSA's statement of financial position at that time.

The components of lease cost follow as of December 31, 2023 and 2022:

	2023	2022
Operating lease cost	\$ 1,069,711	\$ 1,602,694
Total lease cost	\$ 1,069,711	\$ 1,602,694

The operating lease costs are reflected in the statement of activities.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

The following table represents the weighted average remaining lease term and discount rate as of December 31, 2023 and 2022:

	2023	2022
Weighted-average remaining lease term	12.61 years	13.72 years
Weighted-average discount rate	1.70%	1.61%

Future undiscounted lease payments for AIUSA's operating liabilities are as follows as of December 31, 2023:

2024		\$ 935,128
2025		895,387
2026		786,324
2027		830,144
2028		830,144
Thereafter		6,877,173
Total future lease payments		11,154,300
Less: imputed interest		(1,102,091)
Present value of lease liabilities		\$ 10,052,209

NOTE 14 - LITIGATION

AIUSA is a party to certain routine legal actions and complaints arising in the ordinary course of its business. In the opinion of management, all such matters are adequately covered by insurance, or, if not so covered, are without merit or are of such kind, or involve such amounts that unfavorable disposition would not have a material effect on the financial statements of AIUSA.

NOTE 15 - LIQUIDITY AND AVAILABLE RESOURCES

AIUSA receives significant contributions from donors with only a relatively small portion restricted as to their use within specific programs. Contributions are heavily weighted in the last month of the year, during which time AIUSA receives approximately one-third of its annual donations. Contributions receivable on the statements of financial position are very short-term in nature, and substantially, all are collected in full in the week immediately following year-end. Cash flow and liquidity are managed with this seasonality in mind, and the traditional low point in liquidity and available resources takes place in mid-November each year. AIUSA manages its working capital and cash on hand to respond to these seasonal fluctuations and provide for its obligations as they become due.

Additional resources not needed in daily operations are invested in a reserve investment account of highly liquid marketable securities, which can be monetized in a matter of days. The reserve account is also designed to offset various risk factors (such as financial, reputational, technological, etc.) and serve as a buffer for unexpected events. This reserve account has historically been maintained at a level that approximates three months of operating costs for the past five years and has not been drawn upon during this period.

Amnesty International of the U.S.A., Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

As of December 31, 2023 and 2022, the following financial assets are available to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 16,141,904	\$ 21,173,052
Investments - reserve funds	14,299,085	12,797,883
Contributions receivable, due within one year, for general operating support	2,543,469	2,644,700
Anticipated 4% payout on endowments for use during the next 12 months	<u>204,000</u>	<u>179,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 33,188,458</u>	<u>\$ 36,794,635</u>

Included within cash and cash equivalents is \$2.3 million of assets for the Board-designated transition fund; however, these assets can be made available for other purposes following Board approval.

In addition to financial assets available to meet general expenditures over the next 12 months, AIUSA operates with a closely monitored monthly budget and anticipates collecting sufficient revenue to cover general expenditures not covered by available resources.

NOTE 16 - SUBSEQUENT EVENTS

AIUSA's management has performed subsequent events review procedures through June 13, 2024, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.