Humentum

Consolidated Financial Statements
and Supplementary Information

September 30, 2022 and 2021

Independent Auditors' Report

To the Board of Directors of
Humentum

Opinion

We have audited the consolidated financial statements of Humentum (the Organization), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2022 and 2021, 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 (GAAP).

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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 18-21 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

New York, New York
February 24, 2023

Humentum

Consolidated Statements of Financial Position
September 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash	$ 365,408	$ 845,160
Investments	1,685,388	2,908,633
Accounts receivable	1,003,942	1,302,279
Prepaid expenses and other current assets	489,151	390,384
Total current assets	3,543,889	5,446,456
Noncurrent Assets		
Property and equipment, net	285,650	360,874
Intangible assets, net	68,256	121,260
Total noncurrent assets	353,906	482,134
Total assets	$ 3,897,795	$ 5,928,590
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 713,289	$ 592,318
Deferred rent	273,167	54,725
Deferred revenue	1,302,461	1,974,375
Total current liabilities	2,288,917	2,621,418
Noncurrent Liabilities		
Deferred rent	263,294	551,498
Total liabilities	2,552,211	3,172,916
Net Assets		
Net assets without donor restrictions	1,240,120	2,437,309
Net assets with donor restrictions	105,464	318,365
Total net assets	1,345,584	2,755,674
Total liabilities and net assets	$ 3,897,795	$ 5,928,590

See notes to consolidated financial statements

Humentum

Consolidated Statements of Activities
Years Ended September 30, 2022 and 2021

	2022	2021
Operating Revenues and Support		
Training courses	$ 2,555,812	$ 2,384,853
Virtual events	-	110,557
Consulting services	1,981,175	2,071,515
Membership dues	2,092,846	2,030,274
Contributions and grants	342,488	333,032
Contributed nonfinancial assets	2,804,234	2,473,543
Corporate support	178,958	243,269
Recruitment services	169,958	140,078
Other	32,033	5,710
Net assets released from restrictions	643,521	739,813
Total operating revenues and support	10,801,025	10,532,644
Expenses		
Program	7,876,691	7,898,624
Management and general	2,481,711	2,529,774
Fundraising	1,197,357	283,491
Total expenses	11,555,759	10,711,889
Net operating loss	(754,734)	(179,245)
Nonoperating Activities		
Interest and dividends	75,679	77,077
Realized and unrealized (losses) gains, net of fees	(462,528)	371,188
(Loss) gain on foreign currency translation adjustments	(55,606)	26,835
Total nonoperating activities	(442,455)	475,100
Change in net assets without donor restriction	(1,197,189)	295,855
Net Assets With Donor Restrictions		
Contributed nonfinancial assets	56,045	62,490
Contributions and grants	374,575	419,380
Net assets released from restrictions	(643,521)	(739,813)
Change in net assets with donor restrictions	(212,901)	(257,943)
Change in net assets	(1,410,090)	37,912
Net Assets, Beginning	2,755,674	2,717,762
Net Assets, Ending	$ 1,345,584	$ 2,755,674

See notes to consolidated financial statements

Humentum

Consolidated Statement of Functional Expenses
Year Ended September 30, 2022

	Training	Convening	Consultancy	Grants	Total Program	Management and General	Fundraising	Total
Salaries, payroll taxes and fringe benefits	$ 1,050,301	$ 550,439	$ 601,187	$ 123,589	$ 2,325,516	$ 1,114,630	$ 814,749	$ 4,254,895
In-kind	2,804,234	-	-	48,723	2,852,957	-	-	2,852,957
Training support, facilities and materials	144,057	147	17,854	4,474	166,532	24,157	6,657	197,346
Consultants and contractors for client projects and grants	727,005	75,787	1,101,799	317,413	2,222,004	159,623	355,575	2,737,202
Travel	968	3,023	4,841	1,948	10,780	121,029	1,833	133,642
Office expenses	23	-	-	-	23	45,209	-	45,232
Technology supplies and support	223,902	12,951	3,617	12,077	252,547	304,276	17,177	574,000
Dues and other	-	-	-	-	-	1,212	-	1,212
Rent	-	-	-	-	-	96,038	-	96,038
Credit card and bank service charges	-	-	-	-	-	66,750	-	66,750
Professional services fees	1,000	1,349	2,508	23,342	28,199	438,692	1,366	468,257
Depreciation and amortization	18,133	-	-	-	18,133	110,095	-	128,228
Total	$ 4,969,623	$ 643,696	$ 1,731,806	$ 531,566	$ 7,876,691	$ 2,481,711	$ 1,197,357	$ 11,555,759

Humentum

Consolidated Statement of Functional Expenses
Year Ended September 30, 2021

	Training	Convening	Consultancy	Grants	Total Program	Management and General	Fundraising	Total
Salaries, payroll taxes and fringe benefits	$ 1,356,195	$ 506,860	$ 589,365	$ 181,285	$ 2,633,705	$ 1,226,984	$ 277,281	$ 4,137,970
In-kind	2,473,543	-	-	62,490	2,536,033	-	-	2,536,033
Training support, facilities and materials	210,261	-	7,396	1,114	218,771	64,449	-	283,220
Consultants and contractors for client projects and grants	636,390	125,582	1,222,772	237,645	2,222,389	39,140	5,719	2,267,248
Travel	-	-	55,987	-	55,987	2,642	99	58,728
Office expenses	96	-	1,116	-	1,212	83,665	-	84,877
Technology supplies and support	65,459	19,990	628	12,682	98,759	362,638	-	461,397
Dues and other	-	7,083	-	1,316	8,399	14,984	392	23,775
Rent	-	-	-	-	-	223,119	-	223,119
Credit card and bank service charges	-	-	15	240	255	65,028	-	65,283
Professional services fees	25,200	6,839	22,573	30,634	85,246	357,007	-	442,253
Depreciation and amortization	37,868	-	-	-	37,868	90,118	-	127,986
Total	$ 4,805,012	$ 666,354	$ 1,899,852	$ 527,406	$ 7,898,624	$ 2,529,774	$ 283,491	$ 10,711,889

See notes to consolidated financial statements

Humentum

Consolidated Statements of Cash Flows
Years Ended September 30, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	$ (1,410,090)	$ 37,912
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	128,228	127,986
Effect of foreign currency translation adjustments	55,606	(26,835)
Realized and unrealized losses (gains) on investments	462,528	(371,188)
Change in deferred rent	(69,762)	(61,652)
Changes in operating assets and liabilities:		
Accounts receivable	298,337	252,030
Prepaid expenses and other current assets	(98,767)	(197,384)
Accounts payable and accrued expenses	65,365	108,289
Deferred revenue	(671,914)	(232,590)
Net cash flows from operating activities	(1,240,469)	(363,432)
Cash Flows From Investing Activities		
Purchase of intangible assets	-	(105,227)
Proceeds from sale of investments	688,021	2,498,392
Purchases of investments	72,696	(2,554,384)
Net cash flows from investing activities	760,717	(161,219)
Net change in cash	(479,752)	(524,651)
Cash, Beginning	845,160	1,369,811
Cash, Ending	$ 365,408	$ 845,160

See notes to consolidated financial statements

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Humentum is the leading global not-for-profit working with humanitarian and development organizations to improve how they operate and to make the community more equitable, resilient and accountable. Humentum has staff based across the United States, Europe, Africa, Latin America and Asia. Humentum also works with over 100 expert associates and trainers based in a range of countries around the world to deliver consultancy projects and trainings for members and clients.

Humentum's focus is to ensure equitable locally-led development, which will only happen when organizations exercise autonomy and unlock the strategic power of their operating models. The foundational elements of strategic operating models must be designed to be equitable, resilient and accountable. Humentum believes power will shift when funders, international and national organizations operationalize equity by addressing 12 levers of change within their operating models.

Humentum addresses organizational change through institutional architecture, funding and financial systems, people and culture and risk and compliance.

Humentum uses a comprehensive and integrated approach to support organizations to connect with peer communities and advocacy platforms, assess needs, co-create and deliver solutions and benchmark results.

Humentum's Vision: Making change happen for social good.

Humentum's Mission: To unlock the strategic power of operating models.

Basis of Accounting

The accompanying consolidated financial statements of Humentum have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

Principles of Consolidation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation*, the accompanying consolidated financial statements include the accounts of Humentum US and its wholly owned subsidiary, Humentum UK, collectively Humentum. All intercompany transactions have been eliminated in consolidation.

Net Assets

Humentum classifies its net assets into two categories, which are net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets which are reflective of revenues and expenses associated with the principal operating activities of Humentum and are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets which are limited by donor restrictions that either expire with the passage of time or can be fulfilled and removed by actions of Humentum. Also includes net assets subject to donor-imposed restrictions that stipulate resources be maintained in perpetuity, but generally permit Humentum to utilize earnings as specified by donors.

Net assets with donor restrictions are subject to donor-imposed stipulations that may or will be met either by actions of Humentum and/or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the consolidated financial statements.

Net assets with donor restrictions also include net assets that are subject to donor-imposed stipulations that must be maintained in perpetuity by Humentum. There are no such assets as of September 30, 2022 and 2021.

Foreign Currency

Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rate in effect at the consolidated statements of financial position dates. This item is not included as part of the operating indicator and is reported as nonoperating activities in the consolidated statements of activities.

Investments

Investments in marketable equity and fixed income securities are stated at fair value. Donated investments are recorded at fair value at the date of donation.

Investment income is reported net of external and direct internal investment expenses, when applicable. Realized and unrealized gains or losses on investments are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Fair Value

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. Humentum must determine whether its assets and liabilities recorded at fair value were based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs), or Level 3 (valued based on significant unobservable inputs) measurements within the fair value hierarchy.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets, which range from 5 to 15 years on the straight-line method. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Humentum capitalizes property and equipment acquisitions at $5,000 and above.

Intangible Assets

Humentum's intangible assets include the development of new online courses and our website. The development is capitalized at cost and is amortized over their economic life (three years), using the straight-line method from the point the course is available or for the development of the website from the date it was launched.

Deferred Rent/Rent Expense and Sublease Income

Rent expense is recognized on the straight-line basis over the life of the lease. As a result, rent expense does not equal the amount of cash paid for rent. The difference between the rent paid and the rent expense recognized is recorded to deferred rent when the rent expense exceeds the cash paid or prepaid rent when the cash paid exceeds the rent expense. Sublease rental income is recognized on the straight-line basis over the life of the lease.

Contribution Income

Contributions and Grants

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. Humentum reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions, such as a barrier and right of return or release, are substantially met.

Contributed Nonfinancial Assets

Humentum receives donated user licenses for various programs and course content that are also provided to Humentum's members. Contributed nonfinancial assets are recorded at estimated fair value, which is based on what it would cost to purchase these licenses and courses in the consolidated statements of activities. The accompanying consolidated statements of activities includes donated software, in-kind user licenses and course content related contributions and expenses of approximately $2,804,000 and $2,474,000 for the years ended September 30, 2022 and 2021, respectively.

Humentum UK, received donated services of 124 days of voluntary expertise towards the International Financial Reporting for Non-Profit Organizations initiative. These contributed nonfinancial assets are measured at an average daily rate which is based on the partner and staff rates for those who donate their time to the initiative. The accompanying consolidated statements of activities includes donated services of approximately $49,000 and $62,000 for the years ended September 30, 2022 and 2021, respectively, and are recorded as contributions and grants.

Humentum also receives access to various other services and course content for the expressed purpose of providing those benefits to its members. The use and distribution of these contributed resources are controlled and directed by the donating entity and, therefore, are not recognized in the accompanying consolidated financial statements.

Revenue From Contracts With Customers

Training courses: The performance obligation corresponding to training courses is providing the course. The performance obligations are satisfied on the conclusion of the training. The revenue is recognized after each course is completed.

Virtual events: The performance obligation corresponding to event revenue is providing the event. The performance obligations are satisfied on the conclusion of the event. The revenue is recognized after each event is completed.

Consulting: The performance obligation corresponding to consulting is to provide various consulting services. The performance obligations are satisfied over a period of time, which is completed based on each deliverable and a number of days by Humentum's consultants. The revenue is recognized when each deliverable is completed or if material on conclusion of the entire service contract.
The performance obligation corresponding to projects is to provide guidance on a sector-wide issue, e.g. safeguarding or cost-recovery. The performance obligations are satisfied over a period of time, which is completed based on each deliverable and a number of days of the project. The revenue is recognized when each deliverable is completed and invoiced on a monthly basis.

Membership/Subscription: The performance obligation corresponding to subscription is delivery of the membership benefits and/or e-learning platform throughout the stated period of the membership/subscription (i.e. yearly subscription). The performance obligations are satisfied over a period of time as the consumer simultaneously receives and consumes the services as Humentum provides them.

Corporate support/Sponsorship: The performance obligation corresponding to corporate support is delivery of events that the customer can support and promote their services at. The performance obligations are satisfied in some cases at a point in time, but in most cases over a period of time as the consumer simultaneously receives and consumes the services as Humentum provides them.

Recruitment services: The performance obligation corresponding to recruitment services is to provide job advertisements. The performance obligations are satisfied at a point in time, which is completed when the job advertisement is posted on Humentum's job board. The revenue is recognized when each job advertisement is posted.

Humentum determines its accounts receivable and revenue estimates by considering implicit price concessions based on its historical collection experience. The transaction price is based on standard charges for services provided, reduced by implicit price concessions provided, if any.

Income Taxes

Humentum is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not considered a private foundation. Accordingly, no provision has been made for income taxes.

No corporation tax is payable for Humentum UK since, as a registered charity, Humentum UK is generally exempt on its income and capital gains provided that they are applied for charitable purposes.

Uncertain Tax Positions

Management has evaluated Humentum's tax positions and concluded that it has not taken any uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of FASB ASC 740.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of Humentum. Most expenses may be identified to their related program or supporting service and are recorded accordingly. Salaries and benefits expenses are allocated based upon estimated time spent by the respective individuals on each program area, as recorded on approved timesheets. No other costs are allocated to program areas.

Operating Measure

Humentum includes in its definition of operations all revenues and expenses associated with helping members in building and leading teams who will become essential partners in accomplishing the missions of their organizations. Interest and dividends, realized and unrealized gains and losses and gains and losses on foreign currency translation adjustments are excluded from the measure of operations.

Use of Estimates

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

Reclassifications

Certain 2021 amounts have been reclassified to conform with the 2022 presentation. The reclassifications have no effect on reported amounts of net assets or change in net assets.

Recent Accounting Pronouncements

During 2022, Humentum adopted FASB Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The Organization has adjusted the presentation of these consolidated financial statements accordingly. ASU 2020-07 has been applied retrospectively to all periods presented.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for Humentum for fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of ASU 2016-02 on Humentum's consolidated financial statements.

2. Liquidity and Availability of Resources

Humentum's financial assets available within one year of September 30, 2022 and 2021 for general expenditures such as operating expenses and fixed asset purchases are as follows as of September 30:

	2022	2021
Cash	$ 365,408	$ 845,160
Investments	1,685,388	2,908,633
Accounts receivable	1,003,942	1,302,279
Total financial assets	3,054,738	5,056,072
Less donor restricted amounts	105,464	318,365
Total financial assets available to meet cash needs for general expenditures within one year	$ 2,949,274	$ 4,737,707

As part of Humentum'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. Humentum's main source of liquidity is training courses, consulting services and membership dues. Although investments are available for expenditure, it is not Humentum's intention to use investments for operating purposes.

3. Investments and Fair Value

Investments consist of the following as of September 30:

	2022	2021
Equity funds	$ 1,074,805	$ 2,040,079
Fixed income funds	610,583	868,554
Total	$ 1,685,388	$ 2,908,633

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under authoritative guidance are described as follows:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

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

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

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

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

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2022 and 2021:

Equity funds and fixed income - Publicly traded in active markets.

The following tables present the fair value hierarchy for assets of Humentum measured at fair value as of September 30:

	Fair Value Measurements as of September 30, 2022			
	Level 1	Level 2	Level 3	Total
Equity funds	$ 1,074,805	$ -	$ -	$ 1,074,805
Fixed income funds	610,583	-	-	610,583
Total	$ 1,685,388	$ -	$ -	$ 1,685,388

	Fair Value Measurements as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Equity funds	$ 2,040,079	$ -	$ -	$ 2,040,079
Fixed income funds	868,554	-	-	868,554
Total	$ 2,908,633	$ -	$ -	$ 2,908,633

4. Fixed Assets, Net

Fixed assets, net, are summarized as follows:

	2022	2021
Office equipment	$ 228,640	$ 228,640
Leasehold improvements	523,859	523,859
	752,499	752,499
Less accumulated depreciation	466,849	391,625
Total	$ 285,650	$ 360,874

5. Deferred Revenue

Deferred revenue consisted of the following as of September 30:

	2022	2021
Membership dues	$ 1,065,764	$ 1,315,135
Grants	82,069	-
Training and client service	140,039	301,251
Events	1,500	10,000
Sub-lease	13,089	12,501
Conditional contribution, PPP (a)	-	335,488
Total	$ 1,302,461	$ 1,974,375

(a) As of September 30, 2021, deferred revenue included $335,488 of Paycheck Protection Program 2 (PPP2) funds. Humentum accounted for the PPP2 funds as conditional contributions, with revenue being recognized as the conditions are met. See Note 10.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of September 30:

	2022	2021
Training bursaries	$ 29,320	$ 31,764
Grant fund	76,144	286,601
Total	$ 105,464	$ 318,365

The designated bursary fund represents funds set aside to allow poorly resourced local NGOs in developing countries to benefit from Humentum UK's service who would not otherwise be able to afford them.

Grant fund represents various grants received by Humentum and Humentum UK for technical assistance and global financial reporting guidance.

Net assets released from restrictions consist of the following as of September 30:

	2022	2021
Training bursaries	$ 4,300	$ 16,269
Grant fund	639,221	723,544
Total	$ 643,521	$ 739,813

7. Concentrations of Credit Risk

Financial instruments which potentially subject Humentum to concentrations of credit risk consist principally of cash, investments and accounts receivable. From time to time, the cash balances exceed the federal depository insurance coverage limit.

8. Retirement Plans

Humentum sponsors a defined contribution 403(b) plan, to which eligible employees may contribute at their discretion and to which Humentum also makes a contribution. To become eligible, employees must complete three months of service. Under the plan, Humentum contributes 5% of each eligible employee's; Humentum contributions are vested in the plan immediately. Retirement expense totaled approximately $131,000 and $128,000 for the years ended September 30, 2022 and 2021, respectively, under this plan.

Humentum UK operated a defined contribution pension scheme, the Mango Group Personal Pension Scheme, the assets of which are held in external funds. Contributions of 5% of eligible compensation during the period are charged as they become payable. Retirement expense totaled approximately $71,000 and $58,000 for the years ended September 30, 2022 and 2021, respectively, under this plan.

9. Operating Leases

Humentum leases office space in Washington DC. The future minimum rental payments are approximately as follows:

Years ending September 30:	
2023	$ 280,000
2024	271,000
2025	263,000
2026	254,000
2027	245,000
Thereafter	120,000
Total	$ 1,433,000

Rental expense totaled approximately $261,000 and $273,000 for the years ended September 30, 2022 and 2021, respectively, under this lease.

Humentum has a sublease agreement with lessees to occupy the office space in Washington DC. The sublease expires March 31, 2025. Total rental income amounted to approximately $159,000 and $50,000 for the years ended September 30, 2022 and 2021, respectively, and is netted again rental expense. Future minimum rental income is approximately as follows:

Years ending September 30:	
2023	$ 158,000
2024	164,000
2025	84,000
Total	$ 406,000

10. Paycheck Protection Program

On April 28, 2020 and February 20, 2021, Humentum received loan proceeds in the amounts of $333,032 and $335,488, respectively, under the PPP which was established as part of Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying non-profit organizations in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying non-profit organizations to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA. Advances from the PPP are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period.

As of September 30, 2022 and 2021, Humentum had expended all of the PPP and PPP2 funds received on qualified expenses and met all conditions attached to the PPP funds. On September 15, 2022 and February 20, 2021, respectively, Humentum received notice from the SBA that forgiveness of the loans was granted. Therefore, for the years ended September 30, 2022 and 2021, Humentum has recorded contributions and grants income in the amounts of $335,488 and $333,032, respectively, within its accompanying consolidated statements of activities.

The SBA reserves the right to audit any PPP or PPP2 loan, regardless of size. These audits may occur after the forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP or PPP2 loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

11. Subsequent Events

Management has evaluated subsequent events through February 24, 2023, the date the consolidated financial statements are available for issuance, for inclusion or disclosure in the consolidated financial statements.

Humentum

Consolidating Statement of Financial Position
September 30, 2022

	Humentum US	Humentum UK	Eliminations	Total
Assets				
Current Assets				
Cash	$ 207,592	$ 157,816	$ -	$ 365,408
Investments	1,685,388	-	-	1,685,388
Accounts receivable	972,163	31,779	-	1,003,942
Due from affiliate	201,675	550,995	(752,670)	-
Prepaid expenses and other current assets	475,598	13,553	-	489,151
Total current assets	3,542,416	754,143	(752,670)	3,543,889
Noncurrent Assets				
Property and equipment, net	285,650	-	-	285,650
Intangible assets, net	68,256	-	-	68,256
Total noncurrent assets	353,906	-	-	353,906
Total assets	$ 3,896,322	$ 754,143	$ (752,670)	$ 3,897,795
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	$ 534,239	$ 179,050	$ -	$ 713,289
Due to affiliate	550,995	201,675	(752,670)	-
Deferred rent	273,167	-	-	273,167
Deferred revenue	1,193,546	108,915	-	1,302,461
Total current liabilities	2,551,947	489,640	(752,670)	2,288,917
Noncurrent Liabilities				
Deferred rent	263,294	-	-	263,294
Total liabilities	2,815,241	489,640	(752,670)	2,552,211
Net Assets				
Net assets without donor restrictions	1,081,081	159,039	-	1,240,120
Net assets with donor restrictions	-	105,464	-	105,464
Total net assets	1,081,081	264,503	-	1,345,584
Total liabilities and net assets	$ 3,896,322	$ 754,143	$ (752,670)	$ 3,897,795

Humentum

Consolidating Statement of Financial Position
September 30, 2021

	Humentum US	Humentum UK	Eliminations	Total
Assets				
Current Assets				
Cash	$ 652,762	$ 192,398	$ -	$ 845,160
Investments	2,908,633	-	-	2,908,633
Accounts receivable	1,260,179	42,100	-	1,302,279
Due from affiliate	133,037	591,624	(724,661)	-
Prepaid expenses and other current assets	351,541	38,843	-	390,384
Total current assets	5,306,152	864,965	(724,661)	5,446,456
Noncurrent Assets				
Property and equipment, net	360,874	-	-	360,874
Intangible assets, net	117,336	3,924	-	121,260
Total noncurrent assets	478,210	3,924	-	482,134
Total assets	$ 5,784,362	$ 868,889	$ (724,661)	$ 5,928,590
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	$ 436,903	$ 155,415	$ -	$ 592,318
Due to affiliate	591,624	133,037	(724,661)	-
Deferred rent	54,725	-	-	54,725
Deferred revenue	1,947,807	26,568	-	1,974,375
Total current liabilities	3,031,059	315,020	(724,661)	2,621,418
Noncurrent Liabilities				
Deferred rent	551,498	-	-	551,498
Total liabilities	3,582,557	315,020	(724,661)	3,172,916
Net Assets				
Net assets without donor restrictions	2,201,805	235,504	-	2,437,309
Net assets with donor restrictions	-	318,365	-	318,365
Total net assets	2,201,805	553,869	-	2,755,674
Total liabilities and net assets	$ 5,784,362	$ 868,889	$ (724,661)	$ 5,928,590

Humentum

Consolidating Statement of Activities
Year Ended September 30, 2022

	Humentum US		Humentum UK			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
Operating Revenues and Support						
Training courses	$ 2,478,260	$ -	$ 77,552	$ -	$ -	$ 2,555,812
Consulting services	1,662,497	-	318,678	-	-	1,981,175
Membership dues	2,000,547	-	92,299	-	-	2,092,846
Contributions and grants	342,488	-	-	374,575	-	717,063
Contributed nonfinancial assets	2,804,234	-	-	56,045	-	2,860,279
Corporate support	178,958	-	-	-	-	178,958
Recruitment services	169,958	-	-	-	-	169,958
Other	19,677	-	12,356	-	-	32,033
Net assets released from restrictions	-	-	643,521	(643,521)	-	-
Total operating revenues and support	9,656,619	-	1,144,406	(212,901)	-	10,588,124
Expenses						
Program	6,930,438	-	946,253	-	-	7,876,691
Management and general	2,301,797	-	179,914	-	-	2,481,711
Fundraising	1,111,867	-	85,490	-	-	1,197,357
Total expenses	10,344,102	-	1,211,657	-	-	11,555,759
Net operating loss	(687,483)	-	(67,251)	(212,901)	-	(967,635)
Nonoperating Activities						
Interest and dividends	75,331	-	348	-	-	75,679
Realized and unrealized losses, net of fees	(462,528)	-	-	-	-	(462,528)
Loss on foreign currency translation adjustments	(46,044)	-	(9,562)	-	-	(55,606)
Total nonoperating activities	(433,241)	-	(9,214)	-	-	(442,455)
Change in net assets	(1,120,724)	-	(76,465)	(212,901)	-	(1,410,090)
Net Assets, Beginning	2,201,805	-	235,504	318,365	-	2,755,674
Net Assets, Ending	$ 1,081,081	$ -	$ 159,039	$ 105,464	$ -	$ 1,345,584

Humentum

Consolidating Statement of Activities
Year Ended September 30, 2021

	Humentum US		Humentum UK			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
Operating Revenues and Support						
Training courses	$ 2,269,037	$ -	$ 115,816	$ -	$ -	$ 2,384,853
Virtual events	110,557	-	-	-	-	110,557
Consulting services	1,446,921	-	624,594	-	-	2,071,515
Membership dues	2,022,807	-	7,467	-	-	2,030,274
Contributions and grants	333,032	-	-	419,380	-	752,412
Contributed nonfinancial assets	2,473,543	-	-	62,490	-	2,536,033
Corporate support	231,625	-	11,644	-	-	243,269
Recruitment services	140,078	-	-	-	-	140,078
Other	4,383	-	1,327	-	-	5,710
Net assets released from restrictions	-	-	739,813	(739,813)	-	-
Total operating revenues and support	9,031,983	-	1,500,661	(257,943)	-	10,274,701
Expenses						
Program	6,648,138	-	1,250,486	-	-	7,898,624
Management and general	2,258,381	-	271,393	-	-	2,529,774
Fundraising	275,331	-	8,160	-	-	283,491
Total expenses	9,181,850	-	1,530,039	-	-	10,711,889
Net operating loss	(149,867)	-	(29,378)	(257,943)	-	(437,188)
Nonoperating Activities						
Interest and dividends	77,034	-	43	-	-	77,077
Realized and unrealized gains, net of fees	371,188	-	-	-	-	371,188
(Loss) gain on foreign currency translation adjustments	(5,606)	-	32,441	-	-	26,835
Total nonoperating activities	442,616	-	32,484	-	-	475,100
Change in net assets	292,749	-	3,106	(257,943)	-	37,912
Net Assets, Beginning	1,909,056	-	232,398	576,308	-	2,717,762
Net Assets, Ending	$ 2,201,805	$ -	$ 235,504	$ 318,365	$ -	$ 2,755,674