JOHNSON BLOCK CPAs

FREEDOM FROM RELIGION foundation

CONSOLIDATED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Executive Board of Directors
Freedom From Religion Foundation, Inc.
Madison, Wisconsin

Opinion

We have audited the consolidated financial statements of Freedom From Religion Foundation, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Freedom From Religion Foundation, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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Auditor's 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 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 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 Freedom From Religion Foundation, Inc.'s and FFRF Action Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Freedom From Religion Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
August 19, 2026

CONSOLIDATED FINANCIAL STATEMENTS

FREEDOM FROM RELIGION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2025

ASSETS

Current Assets		
Cash and Cash Equivalents	$	2,885,184
Promises to Give		1,946,869
Prepaids		364,994
Inventory		80,154
Total Current Assets		5,277,201
Fixed Assets		
Land		750,337
Buildings and Improvements		4,322,541
Furniture and Equipment		443,544
Vehicle		37,604
Less: Accumulated Depreciation		(1,595,817)
Net Fixed Assets		3,958,209
Other Assets		
Promises to Give, Due in More than One Year		317,319
Investments Measured at Fair Value		23,025,946
Investments - Certificates of Deposit		248,808
Total Other Assets		23,592,073
TOTAL ASSETS	$	32,827,483

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	$	297,904
Accrued Payroll		458,599
Current Portion of Mortgage Payable		5,088
Total Current Liabilities		761,591
Long-Term Liabilities		
Mortgage Payable		135,877
Total Long-Term Liabilities		135,877
Net Assets		
Net Assets Without Donor Restrictions:		
Designated		9,973,116
Net Investment in Property and Equipment		3,958,209
Undesignated		13,632,936
Total Net Assets Without Donor Restrictions		27,564,261
Net Assets with Donor Restrictions		4,365,754
Total Net Assets		31,930,015
TOTAL LIABILITIES AND NET ASSETS	$	32,827,483

FREEDOM FROM RELIGION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenue, Gains, and Other Support			
Convention Income	$ 117,725	$ -	$ 117,725
Donations	3,486,388	690,719	4,177,107
Bequests	5,638,483	-	5,638,483
Contributed nonfinancial assets	580,677	-	580,677
Donations - Combined Federal Campaign	38,407	-	38,407
Student Activist Donations	-	1,219,951	1,219,951
Legal Fund Donations	-	372,317	372,317
Grants	524,000	-	524,000
Membership Dues	1,918,280	-	1,918,280
Miscellaneous	121,303	-	121,303
Sales	108,593	-	108,593
Investment Income (Loss)	2,087,139	260,824	2,347,963
Subtotal	14,620,995	2,543,811	17,164,806
Net assets released from donor restriction	644,539	(644,539)	-
Total Revenue, Gains, and Other Support	15,265,534	1,899,272	17,164,806
Expenses			
Program	8,979,811	-	8,979,811
Management and General	667,717	-	667,717
Fundraising	1,254,069	-	1,254,069
Total Expenses	10,901,597	-	10,901,597
Change in Net Assets	4,363,937	1,899,272	6,263,209
Net Assets at Beginning of Year	23,200,324	2,466,482	25,666,806
Net Assets at End of Year	$ 27,564,261	$ 4,365,754	$ 31,930,015

FREEDOM FROM RELIGION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total
EXPENSES				
Salaries and Wages	$ 2,946,168	$ 356,590	$ 176,560	$ 3,479,318
Employee Benefits	878,455	106,143	52,509	1,037,107
Payroll Taxes	236,647	28,586	14,139	279,372
Radio Expense	12,015	-	-	12,015
Video - TV/Film	24,332	-	-	24,332
Advertising and Promotion	2,241,152	70	651,778	2,893,000
Legal	128,018	13,186	7,755	148,959
Convention Expense	392,680	-	-	392,680
Regional and Other Meetings	10,599	-	-	10,599
Other Events	152,032	-	-	152,032
Accounting Fees	-	39,321	-	39,321
Auto	-	823	-	823
Building Maintenance	50,375	6,602	3,400	60,377
Broadcasting	323,317	-	-	323,317
Chapter Expense	43,015	-	25,089	68,104
Depreciation	94,573	12,395	6,383	113,351
Dues and Subscriptions and Donations	292,578	1,743	-	294,321
Equipment and Maintenance	42,715	5,598	2,883	51,196
Executive Board	-	12,364	-	12,364
Freethought Today	49,690	-	-	49,690
Insurance	63,289	8,295	4,272	75,856
Items for Resale	57,814	-	-	57,814
Internet and Information Technology	271,664	30,115	27,827	329,606
Miscellaneous	-	-	17,267	17,267
Banking Fees	88,689	15,782	5,986	110,457
Office Expense	34,651	5,598	54,424	94,673
Scholarships, Grants and Awards	148,500	-	-	148,500
Postage and Shipping	190,454	6,971	70,586	268,011
Printing	48,965	1,463	130,430	180,858
Library Project	622	-	-	622
Lobbying	11,396	-	-	11,396
Telephone	17,683	2,317	1,194	21,194
Travel	102,748	11,178	260	114,186
Utilities	19,666	2,577	1,327	23,570
Godless Gospel Project	45	-	-	45
Special Projects	5,264	-	-	5,264
Total Expenses	$ 8,979,811	$ 667,717	$ 1,254,069	$ 10,901,597

FREEDOM FROM RELIGION FOUNDATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended December 31, 2025

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	$ 6,263,209
Adjustments to reconcile increase(decrease) in net assets to net cash provided (used) by operating activities:	
Depreciation	113,351
Proceeds from donations restricted for long-term investment	(105,200)
Realized (gains)/losses on investments	(190,158)
Unrealized (gains)/losses on investments	(1,605,641)
Donated property	(382,000)
Debt assumed from donated building	140,965
Changes in operating assets and liabilities:	
Promise to give	(1,980,358)
Prepaids	234,115
Inventory	(1,557)
Accounts payable	156,962
Accrued payables	103,270
Net cash provided (used) by operating activities	2,746,958
Cash Flows from Investing Activities	
Purchases of investments	(2,195,690)
Sales of investments	50,000
Net cash provided (used) by investing activities	(2,145,690)
Cash Flows of Financing Activities	
Proceeds from donations restricted for long-term investment	105,200
Net cash provided (used) by financing activities	105,200
Net (Decrease) Increase in cash	706,468
Cash at beginning of year	2,178,716
Cash at end of year	$ 2,885,184
Supplemental disclosure of noncash investing activities	
Donated securities received	$ 1,444,365

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Freedom from Religion Foundation, Inc. (the "Foundation") operates for the promotion of the constitutional principle of separation of state and church, to educate the public relating to nontheism and to continue encouraging freethinking with awards to students and other activists.

Principles of Consolidation

These consolidated financial statements include the accounting for Freedom From Religion Foundation, Inc. and FFRF Action Fund, Inc. (the "Fund"). The Foundation holds a financial interest in the Fund and the Foundation holds substantial influence over the Board of Directors and operations of the Fund. References to the "Organization" refer to the consolidated group. All significant intercompany transactions and balances have been eliminated.

Method of Accounting

The Organization utilizes the accrual method of accounting for financial statement reporting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments measured at fair value consist of equity securities, debt securities, money market accounts, and mutual funds. Other investments consist of certificates of deposit and are measured at cost. See Notes 3 and 4 for further information.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. As of December 31, 2025, unconditional promises to give of $1,946,869 are expected to be collected within one year and unconditional promises to give of $317,319 are expected to be collected within one to five years. No discount has been recorded as it is not material to these financial statements. Any allowance for uncollectable promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2025 there was no allowance for uncollectable promises to give.

Prepaid Expenses

Prepaid expenses consist of operating and programming fees paid in 2025 that will be charged to expenses in 2026.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventories of merchandise purchased for resale such as books, shirts and CDs are stated at cost. Costs are determined on a first-in, first-out basis.

Fixed Assets

Fixed assets consist of land, buildings, furniture and equipment and vehicles with a cost, if purchased, or a fair market value, if donated, of more than $5,000 and a useful life of more than one year. Depreciation expense is calculated on the straight-line basis over the estimated useful lives of the assets.

Compensated Absences

Employees accumulate accrued vacation in varying amounts based on years of service. Unused accrued vacation can be carried over to the following year and is paid out upon separation. As of December 31, 2025, the balance of accrued vacation of $351,145 was included with accrued payroll on the statement of net position.

Income Taxes

The Foundation is a non-profit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Fund is a non-profit corporation and qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements for either organization. The Foundation has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(ii).

The Foundation's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, the Foundation is no longer subject to examinations for years before 2020. The Fund was formed in 2022.

Basis of Presentation and Net Assets

The Organization utilizes the accrual method of accounting, whereby revenue is recognized when earned, and expenses are recognized when incurred. The Organization's consolidated financial statements are prepared in accordance with professional standards. Under generally accepted accounting principles (GAAP), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

> Net assets without donor restrictions consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Organization's Executive Board of Directors.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Net Assets, Continued

Net assets with donor restrictions consist of net assets that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization's choices of when to use these resources.

Revenue Recognition

Revenue from sales of inventory are recognized when products are transferred to the purchaser. Revenue from ticket sales to the annual convention are recognized when the convention is held. The exchange portion of membership dues are recognized over the membership period.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2025, no conditional promises to give were outstanding.

Contributed nonfinancial assets include donated real estate property which are recorded at fair value at the time of contribution. The organization sells the property to use in furtherance of their mission.

Functional Allocation of Expenses

Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical or are allocated based on payroll.

Use of Estimates

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

Subsequent Events

Subsequent events have been evaluated through August 19, 2026, which represents the date the consolidated financial statements were available to be issued.

NOTE 2. DEPOSITS AND INVESTMENTS

Concentration of Credit and Market Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash equivalents and investments. The Organization places its cash equivalents with financial institutions and limits the amount of credit exposure to any one financial institution. The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Interest Rate Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations of the stated interest rate. Most of the Organization's Certificates of Deposit have maturities of one year or less.

Custodial Credit Risk is the risk that in the event of a bank failure, securities that are uninsured will not be returned to the Organization.

The Organization maintains deposits in excess of federally insured limits. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to $250,000 per institution. As of December 31, 2025, the Organization's uninsured cash balances totaled $70,862.

Cash and securities maintained through a registered securities dealer are insured up to $500,000 by the Securities Investor Protection Corporation ("SIPC"). SIPC covers losses from fraud and negligence of the registered securities dealer, but not against market losses or investment return. Balances held in accounts may still at times exceed insured limits.

NOTE 3. INVESTMENTS

The Organization invests in equity securities, debt securities, money market accounts, mutual funds, and inherited IRAs. Market risk could occur and is dependent on future changes in market prices of the various investments held. Investments held as of December 31, 2025 are comprised of the following:

	Fair Market Value	Cost
Money Market Accounts	$ 710,261	$ 710,261
Equity Securities	1,424,039	1,160,608
Bonds	1,731,562	1,717,652
Equity Mutual Funds	4,248,415	3,305,644
Mutual Fund Securities	13,435,802	12,388,721
Alternative Investments	1,475,866	1,160,654
Balance at December 31, 2025	$ 23,025,946	$ 20,443,539

Other investments consist of Certificates of Deposits. These investments are shown at cost which approximates fair value.

NOTE 3. INVESTMENTS (CONTINUED)

Income from these investments for the year ended December 31, 2025 is summarized as follows:

	2025
Interest and dividends	$ 552,164
Net realized and unrealized gains (losses)	1,840,835
Investment expense	(45,036)
	$ 2,347,963

NOTE 4. FAIR VALUE MEASUREMENT

In accordance with current authoritative accounting guidance, the Organization discloses and recognizes the fair value of its assets using a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The guidance establishes three levels of fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data

Level 3 – Unobservable inputs that are not corroborated by market data

An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does correspond to the Organization's perceived risk of that investment.

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain private equity funds, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents assets measured at fair value on a recurring basis, except those measured by using NAV per share as a practical expedient, at December 31, 2025:

		Fair Value Measurements Using:		
December 31, 2025	Fair Value	Level 1	Level 2	Level 3
Money Market Accounts	$ 710,261	$ 710,261	$ -	$ -
Equity Securities	1,424,039	1,424,039	-	-
Bonds	1,731,562	-	1,731,562	-
Equity Mutual Funds	4,248,415	4,248,415	-	-
Mutual Fund Securities	13,435,802	13,435,802	-	-
Total	$ 21,550,079	$19,818,518	$ 1,731,562	$ -

NOTE 4. FAIR VALUE MEASUREMENT (CONTINUED)

Level 1 Fair Value Measurements

The fair values of money market accounts, bond mutual funds, equity securities, equity mutual funds, other mutual fund securities, and real estate investment trusts are based on the closing price reported on the active market where the individual securities are traded.

Level 2 Fair Value Measurements

The value of bonds and treasury notes are based on quoted prices for similar assets traded on an active market.

Certain investments measured at fair value using NAV per share as a practical expedient are as follows at December 31, 2025:

	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	4	$ 1,475,867	$ -	Quarterly (1)	None

(1) Redemptions are limited to 5% of the total fund value each quarter

Private equity funds are focused on long-term capital appreciation by providing access to global private equity markets.

NOTE 5. ENDOWMENTS

The Organization's endowment is composed of one donor-restricted fund, one board-designated fund, and one fund with a mix of board-designated and donor-restricted funds. The donor-restricted funds are subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. Accordingly, the Organization classifies the original value of the gifts made to such endowment as the amount it must maintain in perpetuity.

Endowment Net Asset Composition by Type of Fund as of December 31, 2025

	Board-Desginated Endowment Funds	Donor Restricted Endowment Funds	Total
Life Member Reserves	$ 5,793,897	$ -	$ 5,793,897
FFRF Endowment	500,000	299,043	799,043
Henry H. Zumach Freedom From Fundamentalist Religion Award Fund	-	1,636,398	1,636,398
Total Funds	$ 6,293,897	$ 1,935,441	$8,229,338

NOTE 5. ENDOWMENTS (CONTINUED)

Changes in Endowment Net Assets for the Year Ended December 31, 2025

	Board-Desginated Endowment Funds	Donor Restricted Endowment Funds	Total
Endowment net assets, beginning of year	$ 5,502,374	$ 1,619,418	$7,121,792
Investment return:			
Investment Income	558,723	260,823	819,546
Contributions	232,800	105,200	338,000
Amounts appropriated for expenditure	-	(50,000)	(50,000)
Endowment net assets, end of year	$ 6,293,897	$ 1,935,441	$8,229,338

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include both Executive Board of Directors designated funds and permanently restricted funds. Under this policy, as approved by the Executive Board of Directors, the designated endowment assets are invested in a manner that is intended to produce a prudent realization while preserving the principal. The permanently restricted assets are invested to achieve preservation of the principal to allow distribution of income for designated uses consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by Wisconsin. The designated endowment assets are primarily invested in Certificates of Deposit, mutual funds, equity securities, and money market accounts. Donor-restricted endowment assets are invested in mutual funds.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives of the Life Member Reserve and the FFRF Endowment amounts are invested in accordance with the Organization's financial management policy. This policy calls for a target allocation of 58% growth asset and 42% risk control, income, and cash with alternative investments included. The target allocation establishes allowable ranges for each investment class as follows:

- Money Market Funds: Target 2%; Minimum 1%; Maximum 10% of total assets
- Equity Investments: Target 45%; Minimum 35%; Maximum 55% of total assets
- Fixed Income Investments: Target 23%; Minimum 13%; Maximum 33% of total assets
- Alternative Investments: Target 30%; Minimum 20; Maximum 40% of total assets

The goal of the total return fund is to achieve a total return (income and appreciation) of 5% after inflation, over a full market cycle of three to five years. Equity investments may be invested in mutual funds that have expense ratios consistent with other funds of similar investment styles as measured by the Lipper and/or Morningstar rating services. Fixed income investments must be rated BBB or higher by Standard & Poor's and Baa or higher by Moody's. In accordance with the endowment agreement, The Henry H. Zumach Freedom From Fundamentalist Religion Award Fund is invested in a low management fee S&P 500 stock index fund with a target rate of return of 5%.

NOTE 5. ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

Income from the Life Member Reserve may be used to promote the constitutional principle of separation of church and state, and to educate the public on matters related to nontheism through an Executive Board of Directors vote. No distribution of principal is allowed except for special or unusual circumstances and requires an affirmative vote of three-fourths of the members of the Executive Board of Directors. Income from the FFRF Endowment may be used at the Executive Board of Director's discretion to further the exempt purpose of the Organization. Income from The Henry H. Zumach Freedom From Fundamentalist Religion Award Fund may be used annually to fund the award at the Executive Board of Director's discretion.

NOTE 6. FIXED ASSETS AND DEPRECIATION

Fixed assets consist of land, building, furniture, equipment and a vehicle.

	Land	Buildings	Vehicle	Furniture/ Equipment	Accumulated Depreciation
Balance at 1/1/25	$ 750,337	$ 3,940,541	$ 37,604	$ 443,544	$ 1,482,466
Additions	-	382,000	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	-	-	-	113,351
Balance 12/31/25	$ 750,337	$ 4,322,541	$ 37,604	$ 443,544	$ 1,595,817

Depreciation expense for the year ended December 31, 2025 was $113,351.

NOTE 7. MORTGAGE PAYABLE

At December 31, 2025, long term debt consists of a mortgage payable on a building donated to the Organization.

	2025
Mortgage payable in monthly installments of $852 inlcuding interest at 3.7%, maturing April 2045. Secured by property.	$ 140,965

Future maturities of mortgages payable are as follows:

2026	$ 5,088
2027	5,280
2028	5,479
2029	5,685
2030	5,899
Thereafter	113,534
	$ 140,965

NOTE 8. NET ASSETS WITHOUT DONOR RESTRICTIONS

At December 31, 2025 the Organization has the following amounts which represent net assets without donor restrictions that have been designated for various purposes:

Legal	$ 751,427
Life Member Reserves	5,793,897
Building and Operations	2,372,584
Scholarships	498,458
Board Designated Endowment	500,000
Other	56,750
Total Board Designated Net Assets	$ 9,973,116

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025 the Organization has net assets with donor restrictions consisting of the following:

Purpose Restrictions:	
Activist Awards	$ 437,567
Scholarships and Awards	1,439,691
Other	27,736
Subtotal	1,904,994
Amounts to be Maintained in Perpetuity:	
Endowments	1,935,441
Internships	100,000
Subtotal	2,035,441
Time Restrictions	425,319
Total Net Assets With Donor Restrictions	$ 4,365,754

NOTE 10. CONTRIBUTED NONFINANCIAL ASSETS

In 2025 the Organization received two donations of real estate valued at $580,677. One property was sold in 2025. The second property was received in December 2025 and is capitalized in these financial statements. The fair value of the properties is based on the sale price of the first property and the estimated sale price of the second property.

NOTE 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization monitors its liquidity so that it is able to meet its operating needs. The following table reflects the Organization's financial assets as of December 31, 2025, reduced by amounts not available for general expenditure within one year. Financial assets are not considered available when not liquid or not convertible into cash within one year, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the board of directors has designated funds for specific reserves or long-term investments such as board-designated quasi-endowments. The board designated amounts could be used within one year if approved by the Executive Committee. The Organization's investment policy places importance on liquidity of the investments. Accordingly, invested funds are deemed to be available for use within the next 12 months.

Cash and cash equivalents	$ 2,885,184
Promises to give	1,946,869
Investments	23,274,754
Total financial assets, excluding noncurrent receivables	28,106,807
Less those unavailable for general expenditure within one year due to:	
Endowments and accumulated earnings subject to appropriation beyond one year	(1,935,441)
Other donor restrictions	(2,004,994)
Board-designations:	
Endowment	(500,000)
Operating reserves	(2,372,584)
Life member reserves	(5,793,897)
Other board designated amounts	(1,306,635)
Financial assets available to meet cash needs for expenditures within one year	$ 14,193,256

NOTE 12. RETIREMENT PLAN

The Organization established a 401(k)-defined contribution retirement plan effective May 1, 2016 for the benefit of all regular full-time employees who are a minimum of twenty-one years of age. Participating employees may elect to contribute, on a tax deferred basis, a portion of their compensation, in accordance with Section 401(k) of the Internal Revenue Code. The Organization makes matching contributions at the discretion of the Board of Directors. Employees are fully vested after two years of employment. The Organization made contributions of $331,306 to the plan for the year ended December 31, 2025.

NOTE 13. RELATED PARTY

The Thomas Paine Memorial Association, Inc. ("Association") was incorporated during 2020. The Organization has the power to appoint one member of the Association's board of directors.

SUPPLEMENTARY INFORMATION

FREEDOM FROM RELIGION FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2025

ASSETS	Freedom From Religion Foundation, Inc.	FFRF Action Fund, Inc.	Eliminations	Consolidated Balance
Current Assets				
Cash and Cash Equivalents	$ 2,531,904	$ 353,280	$ -	$ 2,885,184
Promises to Give, Due Within One Year	2,546,676	486,648	(1,086,455)	1,946,869
Prepaids	364,994	-	-	364,994
Inventory	80,154	-	-	80,154
Total Current Assets	5,523,728	839,928	(1,086,455)	5,277,201
Fixed Assets				
Land	750,337	-	-	750,337
Buildings and Improvements	4,322,541	-	-	4,322,541
Furniture and Equipment	443,544	-	-	443,544
Vehicle	37,604	-	-	37,604
Less: Accumulated Depreciation	(1,595,817)	-	-	(1,595,817)
Net Fixed Assets	3,958,209	-	-	3,958,209
Other Assets				
Promises to Give, Due in More than One Year	317,319	-	-	317,319
Investments Measured at Fair Value	23,025,946	-	-	23,025,946
Investments - Certificates of Deposit	248,808	-	-	248,808
Total Other Assets	23,592,073	-	-	23,592,073
TOTAL ASSETS	$ 33,074,010	$ 839,928	$ (1,086,455)	$ 32,827,483
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	$ 784,347	$ 600,012	$ (1,086,455)	$ 297,904
Accrued Payroll Expenses	458,599	-	-	458,599
Current Portion of Mortgage Payable	5,088	-	-	5,088
Total Current Liabilities	1,248,034	600,012	(1,086,455)	761,591
Long-Term Liabilities				
Mortgage Payable	135,877	-	-	135,877
Total Long-Term Liabilities	135,877	-	-	135,877
Net Assets				
Net Assets Without Donor Restrictions				
Designated	9,973,116	-	-	9,973,116
Net investment in property and equipment	3,958,209	-	-	3,958,209
Undesignated	13,393,020	239,916	-	13,632,936
	27,324,345	239,916	-	27,564,261
Net Assets With Donor Restrictions	4,365,754	-	-	4,365,754
Total Net Assets	31,690,099	239,916	-	31,930,015
TOTAL LIABILITIES AND NET ASSETS	$ 33,074,010	$ 839,928	$ (1,086,455)	$ 32,827,483

FREEDOM FROM RELIGION FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	Freedom From Religion Foundation, Inc.	FFRF Action Fund, Inc.	Eliminations	Consolidated Balance
Support and Revenue				
Convention Income	$ 117,725	$ -	$ -	$ 117,725
Donations	3,915,128	911,979	(650,000)	4,177,107
Bequests	5,638,483	-	-	5,638,483
Contributed nonfinancial assets	580,677	-	-	580,677
Donations - Combined Federated Campaign	38,407	-	-	38,407
Student Activist Donations	1,219,951	-	-	1,219,951
Legal Fund Donations	372,317	-	-	372,317
Grants	524,000	-	-	524,000
Membership Dues	1,918,280	-	-	1,918,280
Miscellaneous	224,825	-	(103,522)	121,303
Sales	108,593	-	-	108,593
Investment Income (Loss)	2,356,947	2,098	(11,082)	2,347,963
Total Support and Revenue	17,015,333	914,077	(764,604)	17,164,806
Expenses				
Program	9,045,360	662,621	(728,170)	8,979,811
Management and General	634,048	70,103	(36,434)	667,717
Fundraising	1,211,041	43,028	-	1,254,069
Total Expenses	10,890,449	775,752	(764,604)	10,901,597
Change in Net Assets	6,124,884	138,325	-	6,263,209
Net Assets at Beginning of Year	25,565,215	101,591	-	25,666,806
Net Assets at End of Year	$ 31,690,099	$ 239,916	$ -	$ 31,930,015