

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018



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**FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2019 AND 2018**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



INDEPENDENT AUDITORS' REPORT

Board of Directors
Foundation for Individual Rights in Education, Inc.
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Foundation for Individual Rights in Education, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Foundation for Individual Rights in Education, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Individual Rights in Education, Inc., as of June 30, 2019 and 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 25, 2019

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 11,338,360	\$ 6,634,265
Certificates of Deposit	4,748,000	7,066,000
Accounts Receivable	226	2,653
Pledge Receivable	1,096,667	238,333
Prepaid Expenses	242,524	325,464
Total Current Assets	17,425,777	14,266,715
LEASEHOLD IMPROVEMENTS, EQUIPMENT, AND WEBSITE DESIGN, NET	1,380,165	1,137,168
INVESTMENTS	-	841,806
OTHER ASSETS		
Security Deposit	111,220	133,014
Total Assets	\$ 18,917,162	\$ 16,378,703
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 186,549	\$ 206,868
LONG-TERM LIABILITIES		
Deferred Rent	308,014	309,341
Deferred Lease Obligation	1,056,795	729,389
Total Long-Term Liabilities	1,364,809	1,038,730
Total Liabilities	1,551,358	1,245,598
NET ASSETS		
Without Donor Restrictions	15,499,282	13,797,040
With Donor Restrictions	1,866,522	1,336,065
Total Net Assets	17,365,804	15,133,105
Total Liabilities and Net Assets	\$ 18,917,162	\$ 16,378,703

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions and Grants	\$ 7,973,741	\$ 1,704,200	\$ 9,677,941	\$ 10,787,222	\$ 840,120	\$ 11,627,342
Interest Income	323,711	524	324,235	103,202	364	103,566
Realized Gains (Losses) on Investments	24,414	-	24,414	(62,732)	-	(62,732)
Other Income	912,558	-	912,558	874,310	-	874,310
Total	9,234,424	1,704,724	10,939,148	11,702,002	840,484	12,542,486
Net Assets Released from Restrictions	1,174,267	(1,174,267)	-	2,174,822	(2,174,822)	-
Total Support and Revenue	10,408,691	530,457	10,939,148	13,876,824	(1,334,338)	12,542,486
EXPENSES						
Program Services	6,361,594	-	6,361,594	6,388,309	-	6,388,309
Administrative Services	1,127,867	-	1,127,867	811,066	-	811,066
Development	1,216,988	-	1,216,988	902,290	-	902,290
Total Expenses	8,706,449	-	8,706,449	8,101,665	-	8,101,665
CHANGE IN NET ASSETS	1,702,242	530,457	2,232,699	5,775,159	(1,334,338)	4,440,821
Net Assets - Beginning of Year	13,797,040	1,336,065	15,133,105	8,021,881	2,670,403	10,692,284
NET ASSETS - END OF YEAR	\$ 15,499,282	\$ 1,866,522	\$ 17,365,804	\$ 13,797,040	\$ 1,336,065	\$ 15,133,105

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

Program Services									
Individual Rights Defense Program	FIRE Student Network	FIRE Litigation	Policy Reform Project	Public Awareness Project	Project SOAR	Total Program Services	Management and General	Development	Total
Awards and Scholarships	\$ 5,186	-	-	-	\$ 19,250	\$ 29,436	\$ 500	-	\$ 29,936
Business Insurance	2,646	1,191	5,355	7,548	3,845	22,539	4,477	4,546	31,562
Communications	5,030	2,262	10,170	14,429	7,302	42,915	8,503	8,792	60,210
Computer and Network Costs	13,363	5,052	24,305	40,539	12,299	106,381	13,214	22,904	142,499
Depreciation	-	-	-	-	-	-	239,799	-	239,799
Dues and Subscriptions	141	1,580	17,089	404	538	20,006	249	3,474	23,729
Event Expense	78,287	-	-	70	131,495	209,852	(218)	(8,239)	201,395
Lectures and Conferences	32,874	168	6,337	1,967	7,853	49,931	633	11,143	61,707
Licenses and Permits	849	692	3,602	2,423	1,337	9,530	1,437	1,709	12,676
Occupancy	46,455	20,910	94,025	132,531	67,502	395,722	78,611	79,819	554,152
Office Expenses	7,058	3,121	10,351	14,308	7,550	45,960	7,169	28,340	81,469
Postage and Delivery	3,061	1,073	5,843	12,776	10,428	35,515	4,032	68,099	107,646
Printing and Reproduction	17,065	2,092	10,209	20,843	28,755	83,847	3,027	152,400	239,274
Professional Fees	14,763	688,912	96,898	297,302	38,345	1,147,128	24,982	47,290	1,219,400
Publicity and Advertising	23,782	171	895	21,089	7,401	53,619	1,120	25,100	79,839
Research Services	409	1,185	15,778	79,842	25,690	127,922	693	5,042	133,657
Staff Training and Development	7,403	3,349	11,271	24,241	7,137	57,073	6,753	9,969	73,795
Travel and Entertainment	122,051	24,914	92,071	62,856	41,797	360,697	14,093	33,699	408,489
Wages, Payroll Taxes, and Benefits	301,533	414,548	194,641	864,659	1,171,204	616,936	718,793	722,901	5,005,215
Total	\$ 794,971	\$ 951,313	\$ 1,268,858	\$ 1,909,372	\$ 1,035,460	\$ 6,361,594	\$ 1,127,867	\$ 1,216,988	\$ 8,706,449

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

Program Services

	Individual Rights Defense Program	FIRE Student Network	FIRE Litigation	Policy Reform Project	Public Awareness Project	Project SOAR	Total Program Services	Management and General	Development	Total
Awards and Scholarships	\$ -	\$ 2,614	\$ -	\$ -	\$ -	\$ 7,750	\$ 10,364	\$ -	\$ -	\$ 10,364
Business Insurance	1,921	2,646	3,855	4,211	5,829	7,560	26,022	2,944	3,705	32,671
Communications	2,678	3,749	5,375	5,871	8,124	10,540	36,337	4,104	5,343	45,784
Computer and Network Costs	9,816	7,763	13,679	10,173	31,048	18,277	90,756	7,079	14,195	112,030
Depreciation	-	-	-	-	-	-	-	185,647	-	185,647
Dues and Subscriptions	157	216	1,445	21,363	475	1,022	24,678	240	1,992	26,910
Event Expense	-	59,759	-	277	4,013	106,900	170,949	-	41,218	212,167
Lectures and Conferences	3,628	563	456	16,027	7,756	31,254	59,684	43	554	60,281
Licenses and Permits	128	177	258	857	390	505	2,315	197	498	3,010
Occupancy	30,960	42,648	62,130	67,869	93,932	121,837	419,376	33,538	59,707	512,621
Office Expenses	2,088	3,362	4,165	5,609	12,430	8,355	36,009	10,482	22,276	68,767
Postage and Delivery	978	1,329	1,899	2,178	6,250	8,555	21,189	1,445	15,205	37,839
Printing and Reproduction	418	2,261	1,814	12,135	10,918	12,632	40,178	640	60,600	101,418
Professional Fees	5,530	10,136	1,106,884	79,955	322,064	27,142	1,551,711	8,473	12,464	1,572,648
Publicity and Advertising	11,289	13,278	1,583	13,232	15,626	21,535	76,543	1,209	8,306	86,058
Research Services	1,613	347	2,155	15,020	845	28,527	48,507	386	4,825	53,718
Staff Training and Development	3,430	3,216	7,504	5,277	7,809	5,866	33,102	2,158	5,608	40,868
Travel and Entertainment	15,982	55,787	35,310	70,927	53,633	59,257	290,896	6,062	25,588	322,546
Wages, Payroll Taxes, and Benefits	250,654	477,928	199,775	765,029	890,461	865,846	3,449,693	546,419	620,206	4,616,318
Total	\$ 341,270	\$ 687,779	\$ 1,448,287	\$ 1,096,010	\$ 1,471,603	\$ 1,343,360	\$ 6,388,309	\$ 811,066	\$ 902,290	\$ 8,101,665

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,232,699	\$ 4,440,821
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Gains on Investments	(24,414)	(723)
Depreciation	239,799	185,647
(Increase) Decrease in:		
Accounts Receivable	2,427	439
Pledge Receivable	(858,334)	86,667
Prepaid Expenses	82,940	(98,491)
Security Deposit	21,794	(41,705)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(20,319)	21,235
Deferred Rent	(1,327)	1,493
Deferred Lease Obligation	327,406	(88,321)
Net Cash Provided by Operating Activities	2,002,671	4,507,062
 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	-	(2,588,000)
Redemption of Certificate of Deposit	2,318,000	2,136,000
Purchase of Investments	(1,342,782)	(841,083)
Proceeds on Sale of Investments	2,209,000	-
Purchase of Leasehold Improvements, Equipment, and Website Design	(482,794)	(14,662)
Net Cash Provided (Used) by Investing Activities	2,701,424	(1,307,745)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	4,704,095	3,199,317
 Cash and Cash Equivalents - Beginning of Year	6,634,265	3,434,948
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 11,338,360	\$ 6,634,265

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Foundation for Individual Rights in Education, Inc. (the Foundation) was incorporated on April 8, 1999. The Foundation is a Massachusetts nonprofit corporation, based in Philadelphia, Pennsylvania, whose mission is to defend and sustain individual rights at America's colleges and universities. These rights include freedom of speech, legal equality, due process, religious liberty, and sanctity of conscience – the essential qualities of individual liberty and dignity. The Foundation's core mission is to protect the unprotected and to educate the public and communities of concerned Americans about threats to these rights on our campuses and about the means to preserve them. The Foundation is supported through private contributions and grants.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Classification of Net Assets

The Foundation 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. The Foundation also reports its financial position on a classified basis to enhance the readers understanding of current and noncurrent assets and obligations.

Net assets without donor restrictions are net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors. Net assets with donor restrictions are those contributions which have been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained in perpetuity.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulation or by law. Expirations of donor-imposed restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reported as net assets released from restrictions and reclassified to net assets without donor restrictions. Revenue with donor-imposed restrictions received and released in the same year is reported as an increase in net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclose of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Foundation considers all highly liquid investments in traditional bank accounts and money market funds to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

Certificates of Deposit

Certificates of deposit are recorded at cost. The Foundation's investments in certificates of deposit are structured so as not to exceed FDIC insurable limits.

Pledges Receivable

Unconditional promises to give are recognized as revenue and pledges receivable in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments

Investments are recorded at fair value. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted credit rating, prepayment assumptions, and other factors such as credit loss assumptions.

Leasehold Improvements, Equipment, and Website Design

Assets purchased with an estimated useful life in excess of one year and in excess of \$2,000 are stated at cost and depreciated over the estimated useful lives of the related assets (Office Equipment – 5-10 years; Leasehold Improvements – shorter of estimated useful life or the lease term; Website Design – 3 years). Depreciation is computed over the estimated useful lives. Maintenance and repairs are charged to the operations when incurred. Significant betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset accounts and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future use or restricted by the donor for specific purposes are reported as with donor restrictions support that increases net assets with donor restrictions. When a donor restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions. Contributions consist of funds received from individuals, corporations, foundations, and other nonprofit organizations for various activities provided by the Foundation.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Securities

The Foundation will receive, on occasion, donated securities from its donors. Once a security has been received, the Foundation will immediately sell at the securities fair market value with the proceeds being used based on the donor's stipulations. All realized gains and losses at the time of the sale are included in the Foundation's statement of activities.

Functional Allocation of Expenses

The costs of providing the Foundation's programs and other activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Payroll and benefits are allocated based on estimates of time and effort expended, and certain expenses are charged to program and supporting activities directly. Expenses which cannot be directly identified with specific functions, are allocated based on estimates of staff hours devoted to various functions.

Income Taxes

The Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes. The Foundation is not aware of any activities that would jeopardize its tax-exempt status, nor is it aware of any of its activities that are subject to tax on unrelated business income taxes.

The Foundation follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard had no impact on the Foundation's financial statements.

The Foundation's income tax returns are subject to review and examination by federal, state, and local authorities.

Fair Value of Financial Instruments

The Foundation measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Foundation may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Change in Accounting Principle

During August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Foundation was required to adopt ASU No. 2016-14 in fiscal year 2019, and has applied the changes retrospectively to all periods presented except for the disclosure relating to the analysis by nature and function.

The new standard changes the following aspects of the Foundation's financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions;
- The temporarily and permanently restricted net asset classes have been renamed net assets with donor restrictions;
- The financial statements include a disclosure about liquidity and availability of resources;
- The financial statements include a disclosure which presents expenses by both their natural classification and functional classification.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 25, 2019, the date the financial statements were available to be issued.

NOTE 2 PLEDGE RECEIVABLE

The Foundation receives gifts from time to time in the form of pledges, which are to be received in the upcoming years. Management believes the entire amounts of the pledge receivables from these donors are fully collectible and, accordingly, has not provided an allowance on such receivables. Pledge receivables are as follows:

	<u>2019</u>	<u>2018</u>
Receivable in Less Than One Year	\$ 1,096,667	\$ 238,333
Receivable One to Three Years	-	-
Total Pledge Receivable	<u>\$ 1,096,667</u>	<u>\$ 238,333</u>

NOTE 3 LEASEHOLD IMPROVEMENTS, EQUIPMENT, AND WEBSITE DESIGN

Leasehold improvements, equipment and website design assets as of June 30, 2019 and 2018 were recorded at cost as follows:

	<u>2019</u>	<u>2018</u>
Computer Equipment	\$ 22,056	\$ 22,056
Furniture and Fixtures	343,927	308,204
Leasehold Improvements	1,589,093	1,142,020
Website Design	167,925	167,925
Total	<u>2,123,001</u>	<u>1,640,205</u>
Less: Accumulated Depreciation	<u>742,836</u>	<u>503,037</u>
Total Equipment and Website Design, Net	<u>\$ 1,380,165</u>	<u>\$ 1,137,168</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$239,799 and \$185,647, respectively.

NOTE 4 INVESTMENTS

Investments recorded at fair value as of June 30, 2019 and 2018 are as follow:

	<u>Fair Value</u>	
	<u>2019</u>	<u>2018</u>
Bonds	\$ -	\$ 841,806
Total Investments	<u>\$ -</u>	<u>\$ 841,806</u>

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with temporal or purpose-related donor restrictions are as follows as of June 30:

	<u>2019</u>	<u>2018</u>
Time Restricted	\$ 1,096,668	\$ 238,333
Purpose Restricted:		
Coddling of the American Mind Event	-	7,500
Crimson Ads	-	14,500
Due Process Project	75,000	50,000
First Amendment Library	-	36,182
Free Expression Campaign	99,250	79,250
Freedom of Information Act Requests	14,550	29,775
FSN Conference	40,000	40,000
Litigation and High School Initiative	76,500	77,500
Notice and Comment Project	40,000	40,000
Policy Reform Project	-	334,367
Qualified Immunity Project	51,637	51,637
Spotlight Database and Website Project	100,000	93,293
Venture Fund	83,465	95,000
Video Fellowship and Podcast Efforts	50,000	100,000
Website Revamp	-	25,000
20th Anniversary	115,200	-
Total Purpose Restricted	<u>745,602</u>	<u>1,074,004</u>
Endowment Funds	24,252	23,728
Total	<u><u>\$ 1,866,522</u></u>	<u><u>\$ 1,336,065</u></u>

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions released from restrictions for the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
Coddling of the American Mind Event	\$ 7,500	\$ -
Court Case 1	-	20,000
Court Case 2	-	75,000
Crimson Ads	14,500	10,500
Due Process Project	50,000	51,900
First Amendment Library	36,182	22,060
Free Expression Campaign	30,000	73,750
Freedom of Information Act Requests	15,225	15,225
FSN Conference	40,000	-
Harvard Campaign	-	2,200
iPhone Application Design	-	10,000
Litigation and High School Initiative	150,000	488,316
Million Voices Project	-	150,000
Model Code	25,000	-
Other - Restricted for Time	226,666	286,667
Policy Reform Project	334,366	659,784
Qualified Immunity Project	-	23,363
Spotlight Database and Website Project	93,293	98,437
Stand Up For Speech Litigation Project	-	50,000
Student Defenders	-	47,500
Summer Intern Program	15,000	5,120
Top 25 Project	-	25,000
Venture Fund	11,535	-
Video Fellowship and Podcast Efforts	100,000	60,000
Website Revamp	25,000	-
Total	<u>\$ 1,174,267</u>	<u>\$ 2,174,822</u>

Endowment

The Foundation's endowment consists of one individual fund established primarily to fund operations. The endowment includes only donor-restricted endowment funds totaling \$24,252 and \$23,728 at June 30, 2019 and 2018, respectively. The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of trustees, the endowment assets are invested in a U.S. Treasury Money Market Fund.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 6 OPERATING LEASES

The Foundation leases office space in Philadelphia and Washington, DC, and office equipment expiring in various years through 2028. Rent expense incurred under operating leases for the years ended June 30, 2019 and 2018 was \$554,150 and \$512,621, respectively.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 671,360
2021	627,414
2022	640,245
2023	653,234
2024	666,384
Thereafter	<u>2,594,812</u>
Total	<u>\$ 5,853,449</u>

On May 22, 2015, the Foundation entered into a new office lease for 128 months. In connection with that lease renewal, the landlord provided renovations and improvements to the Center's office space in the amount of \$775,964. Those leasehold improvements were capitalized and are being depreciated over the term of occupancy; in addition, a corresponding deferred lease obligation liability was recorded by the Foundation, which will be amortized over the term of the lease.

NOTE 7 PENSION PLAN

The Foundation has a defined contribution salary deferral plan (403(b) plan), covering substantially all employees. The Foundation matched, dollar-for-dollar, employees' contributions up to a maximum of \$2,500 per year per employee. The total pension expense for the years ended June 30, 2019 and 2018 was \$98,529 and \$60,479, respectively.

NOTE 8 AVAILABLE RESOURCES AND LIQUIDITY

The Foundation regularly monitors liquidity required to meet its operating needs and commitments. As of June 30, 2019, \$15,316,731 could readily be made available within one year of the statement of financial position date to meet general expenditures, consisting of cash and cash equivalents, certificates of deposit, accounts receivable and pledges receivable, net of amounts subject to donor restrictions of \$1,866,522.

