

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023



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**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
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YEARS ENDED JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Foundation for Individual Rights and Expression, Inc.
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Foundation for Individual Rights and Expression, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Individual Rights and Expression, Inc. as of June 30, 2024 and 2023, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Financial Statements* section of our report. We are required to be independent of Foundation for Individual Rights and Expression, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Foundation for Individual Rights and Expression Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation for Individual Rights and Expression 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.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
November 8, 2024

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,987,170	\$ 3,344,283
Pledge Receivable, Current Portion	2,982,728	5,334,894
Prepaid Expenses	595,475	336,048
Total Current Assets	9,565,373	9,015,225
PROPERTY AND EQUIPMENT, NET	5,215,493	1,388,636
INVESTMENTS	41,246,148	35,515,553
OTHER ASSETS		
Operating Leases Right-of-Use Assets	5,649,675	4,036,229
Security Deposit	149,651	129,473
Pledge Receivable, Net of Current Portion	1,438,815	1,014,444
Total Other Assets	7,238,141	5,180,146
Total Assets	\$ 63,265,155	\$ 51,099,560
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable, Accrued Expenses and Other Current Liabilities	\$ 1,681,352	\$ 676,517
Current Lease Liabilities - Operating	498,776	649,503
Total Current Liabilities	2,180,128	1,326,020
LONG-TERM LIABILITIES		
Long-Term Lease Liabilities - Operating	7,856,785	4,622,600
Total Long-Term Liabilities	7,856,785	4,622,600
Total Liabilities	10,036,913	5,948,620
NET ASSETS		
Without Donor Restrictions	47,806,920	37,184,417
With Donor Restrictions	5,421,322	7,966,523
Total Net Assets	53,228,242	45,150,940
Total Liabilities and Net Assets	\$ 63,265,155	\$ 51,099,560

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions and Grants	\$ 24,510,274	\$ 7,741,014	\$ 32,251,288	\$ 26,438,088	\$ 8,850,750	\$ 35,288,838
Realized Investment Income	947,274	-	947,274	717,035	-	717,035
Other Income	123,616	-	123,616	267,707	-	267,707
Total	<u>25,581,164</u>	<u>7,741,014</u>	<u>33,322,178</u>	<u>27,422,830</u>	<u>8,850,750</u>	<u>36,273,580</u>
Net Assets Released from Restrictions	10,286,215	(10,286,215)	-	8,904,132	(8,904,132)	-
Total Support and Revenue	<u>35,867,379</u>	<u>(2,545,201)</u>	<u>33,322,178</u>	<u>36,326,962</u>	<u>(53,382)</u>	<u>36,273,580</u>
EXPENSES						
Program Services	22,088,535	-	22,088,535	29,946,088	-	29,946,088
Administrative Services	2,107,905	-	2,107,905	1,482,149	-	1,482,149
Development	3,692,542	-	3,692,542	3,146,420	-	3,146,420
Total Expenses	<u>27,888,982</u>	<u>-</u>	<u>27,888,982</u>	<u>34,574,657</u>	<u>-</u>	<u>34,574,657</u>
Other Revenue and Expense						
Unrealized Investment Income	2,473,108	-	2,473,108	1,576,397	-	1,576,397
Gain on Disposal of Lease Related Asset	170,998	-	170,998	-	-	-
Total Nonoperating Revenue and Expenses	<u>2,644,106</u>	<u>-</u>	<u>2,644,106</u>	<u>1,576,397</u>	<u>-</u>	<u>1,576,397</u>
CHANGE IN NET ASSETS	10,622,503	(2,545,201)	8,077,302	3,328,702	(53,382)	3,275,320
Net Assets - Beginning of Year	37,184,417	7,966,523	45,150,940	33,855,715	8,019,905	41,875,620
NET ASSETS - END OF YEAR	<u>\$ 47,806,920</u>	<u>\$ 5,421,322</u>	<u>\$ 53,228,242</u>	<u>\$ 37,184,417</u>	<u>\$ 7,966,523</u>	<u>\$ 45,150,940</u>

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services				Management and General	Development	Total
	Advocacy	Education	Awareness	Total Program			
Wages, Payroll Taxes, and Benefits	\$ 5,526,067	\$ 2,231,669	\$ 3,409,256	\$ 11,166,992	\$ 1,663,391	\$ 2,241,258	\$ 15,071,641
Awards and Scholarships	304	94,275	-	94,579	-	-	94,579
Business Insurance	38,797	15,182	23,993	77,972	11,734	15,435	105,141
Communications	14,383	5,628	8,895	28,906	4,350	5,722	38,978
Computer and Network Costs	385,302	150,779	238,282	774,363	116,530	153,285	1,044,178
Depreciation	219,265	85,805	135,600	440,670	66,314	87,231	594,215
Dues and Subscriptions	70,519	6,638	3,909	81,066	1,829	2,596	85,491
Event Expense	31,344	563,116	6,124	600,584	1,116	106,175	707,875
Grant Expense	-	199,721	173,800	373,521	-	-	373,521
Lectures and Conferences	6,559	120,446	400	127,405	-	4,800	132,205
Occupancy	415,647	162,654	257,048	835,349	125,708	165,357	1,126,414
Office Expenses	67,947	28,758	41,106	137,811	18,957	108,102	264,870
Postage and Delivery	28,830	20,191	37,785	86,806	7,603	170,238	264,647
Printing and Reproduction	11,088	8,149	29,208	48,445	1,911	282,802	333,158
Professional Fees	546,684	488,187	745,867	1,780,738	28,467	49,406	1,858,611
Publicity and Advertising	21,562	95,628	2,516,613	2,633,803	784	56,182	2,690,769
Research Services	4,168	1,748,550	-	1,752,718	-	1,727	1,754,445
Staff Training and Development	134,350	52,575	83,085	270,010	40,632	53,448	364,090
Travel and Entertainment	379,374	223,804	173,619	776,797	18,579	188,778	984,154
Total Functional Expenses	<u>\$ 7,902,190</u>	<u>\$ 6,301,755</u>	<u>\$ 7,884,590</u>	<u>\$ 22,088,535</u>	<u>\$ 2,107,905</u>	<u>\$ 3,692,542</u>	<u>\$ 27,888,982</u>

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services				Management and General	Development	Total
	Advocacy	Education	Awareness	Total Program			
Wages, Payroll Taxes, and Benefits	\$ 4,724,353	\$ 2,016,927	\$ 3,333,829	\$ 10,075,109	\$ 1,210,219	\$ 1,685,570	\$ 12,970,898
Awards and Scholarships	-	144,863	-	144,863	-	-	144,863
Business Insurance	34,753	7,172	12,322	54,247	4,521	6,182	64,950
Communications	10,447	4,413	7,351	22,211	2,697	4,245	29,153
Computer and Network Costs	198,865	77,871	158,594	435,330	43,069	104,474	582,873
Depreciation	136,939	56,461	96,998	290,398	35,592	48,668	374,658
Dues and Subscriptions	60,328	6,665	5,098	72,091	1,871	4,833	78,795
Event Expense	14,502	246,265	1,113	261,880	408	555,535	817,823
Grant Expense	-	149,658	38,275	187,933	-	-	187,933
Lectures and Conferences	20,557	81,853	4,989	107,399	-	9,805	117,204
Occupancy	335,992	138,533	237,999	712,524	87,330	119,413	919,267
Office Expenses	53,911	22,056	40,398	116,365	13,010	83,594	212,969
Postage and Delivery	27,005	13,527	28,385	68,917	5,060	57,518	131,495
Printing and Reproduction	15,481	25,444	33,349	74,274	2,599	190,740	267,613
Professional Fees	350,422	289,297	451,395	1,091,114	29,781	43,971	1,164,866
Publicity and Advertising	19,638	70,422	13,247,224	13,337,284	1,543	39,105	13,377,932
Research Services	125,467	1,902,319	-	2,027,786	-	14,794	2,042,580
Staff Training and Development	124,900	51,497	88,472	264,869	32,464	44,390	341,723
Travel and Entertainment	266,430	218,443	116,621	601,494	11,985	133,583	747,062
Total Functional Expenses	<u>\$ 6,519,990</u>	<u>\$ 5,523,686</u>	<u>\$ 17,902,412</u>	<u>\$ 29,946,088</u>	<u>\$ 1,482,149</u>	<u>\$ 3,146,420</u>	<u>\$ 34,574,657</u>

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 8,077,302	\$ 3,275,320
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Net Realized and Unrealized Gains on Investments	(2,454,889)	(1,599,342)
Depreciation	594,215	374,658
Noncash Lease Expense	1,470,012	1,235,874
Loss on Disposal of Property and Equipment	311,441	-
(Increase) Decrease in:		
Pledge Receivable	1,927,795	(2,007,162)
Prepaid Expenses	(259,427)	19,147
Security Deposits	(20,178)	(18,253)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	1,004,835	4,435
Deferred Rent	-	(454,203)
Deferred Lease Obligation	-	(918,394)
Net Cash Provided (Used) by Operating Activities	10,651,106	(87,920)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(15,899,299)	(44,824,225)
Proceeds on Sale of Investments	12,623,593	34,967,641
Purchase of Leasehold Improvements, Equipment, and Website Design	(4,732,513)	(159,254)
Net Cash Used by Investing Activities	(8,008,219)	(10,015,838)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,642,887	(10,103,758)
Cash and Cash Equivalents - Beginning of Year	3,344,283	13,448,041
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,987,170	\$ 3,344,283

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Foundation for Individual Rights and Expression, Inc. was incorporated on April 8, 1999 as a Massachusetts nonprofit corporation. On March 4, 2022, the Foundation's board of directors elected to change the entity's name to The Foundation for Individual Rights and Expression, Inc. (the Foundation). Included in this name change, the board of directors had approved a change to the Foundation's mission. Both changes were accepted by the Commonwealth of Massachusetts on July 12, 2022.

Based in Philadelphia, Pennsylvania, the Foundation's mission is to defend and sustain the individual rights of all Americans to free speech and free thought - the most essential qualities of liberty. FIRE educates Americans about the importance of these inalienable rights, promotes a culture of respect for these rights, and provides the means to preserve them. FIRE recognizes that colleges and universities play a vital role in preserving free thought within a free society. To this end, FIRE places special emphasis on defending individual rights of students and faculty members on our nation's campuses, including freedom of speech, freedom of association, due process, legal equality, religious liberty, and sanctity of conscience.

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.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

Pledges Receivable

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 assets. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Foundation determines the allowance for uncollected promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. For the year ended June 30, 2024, no allowance has been assessed.

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 and Investment Risk

Investments are stated at fair value. The investments in mutual funds are valued at the net asset value of shares held by the Foundation at year-end. Invested cash is stated at cost which approximates fair value.

The valuations on the Foundation's insurance annuities are based on the stated guaranteed interest rate from each insurance company. These annuities are fixed with interest calculated using a simple interest rate on APY (Annual Percentage Yield). The interest rate is fixed until the maturity date of each annuity. Market value is determined by simple interest credited to each annuity. There are no underlying investments in these annuities and the APY is guaranteed by each insurance company.

Investments in government securities, bonds, mutual funds, and equity securities with readily determinable fair values are carried at quoted market value. The net changes in fair value and the realized gains and losses on investments sold are reflected in the statements of activities as net realized and unrealized gains or losses on investments. Investment transactions are recorded on the trade date.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Risk (Continued)

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is reasonably possible that such changes in the values of investments will occur in the near-term and that changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. The Foundation's policy is to capitalize all assets purchased greater than \$2,000. Maintenance and repairs are charged to expense as incurred. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in income.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Asset Class</u>	<u>Years</u>
Computer Equipment	5
Furniture and Fixtures	7
Leasehold Improvements	Through lease term, or 5-10 years if unknown
Website Design	3

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in Operating Leases Right-of-Use on the statement of financial position.

Right-of-Use (ROU) assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use the 10-year yield curve rate for computing the present value of lease liabilities.

The Foundation has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Foundation's revenues are derived from contributions including donated securities, grant agreements, and investment income. The Foundation recognizes unconditional contributions and grants when received.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) within the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending upon the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the 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.

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 Expenses

Expenses are summarized and categorized based on their functional classification as either program, management and general, or development. Costs are charged based on direct expenditures incurred. Expenditures attributable to more than one functional category are allocated based on estimates of staff time spent on each program or supporting service.

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 AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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 Foundation 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.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2024 and 2023.

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.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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

Change in Accounting Principle

The Foundation has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Foundation's financial statements but did change how the allowance for credit losses is determined. Adoption of this standard had no impact on the financial statements.

Financial Assets and Liquidity Resources

The Foundation's financial assets available within one year of the statement of financial position date for general expenditures net of amounts subject to donor restrictions were as follows on June 30, 2024 and 2023:

	2024	2023
Financial Assets and Liquidity Resources:		
Cash and Cash Equivalents	\$ 5,987,170	\$ 3,344,283
Pledges Receivable	2,982,728	5,334,894
Short-Term Investments	39,682,254	33,033,207
Total Financial Assets and Liquidity Resources	48,652,152	41,712,384
Less: Donor Restricted	(5,421,322)	(7,966,523)
Total Financial Assets and Liquidity Resources Available Within One Year	\$ 43,230,830	\$ 33,745,861

The amounts subject to donor restrictions in the table above are inclusive of time restricted net assets that are expected to be available for general expenditures within one year of the statement of financial position date. The time restricted net assets that are short-term in nature, as described in Note 2, were \$2,982,500 and \$5,334,666 as of June 30, 2024 and 2023, respectively.

As part of the Foundation's liquidity management, it invests cash in excess of daily requirements in various investment funds held by the Foundation's third-party investment brokerage house, which include cash equivalents, insurance annuities, equities, and mutual funds. These funds can be accessed by the Foundation.

The Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, long-term investments, net of endowment funds of \$24,386 and \$24,386 are available to meet the operating expenses of the Foundation that exceed the amount of available liquidity resources noted above as of June 30, 2024 and 2023, respectively.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications have been made to the June 30, 2023 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

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. Pledge receivables are estimated to be collected as follows for the year ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Receivable in Less Than One Year	\$ 2,982,500	\$ 5,334,666
Receivable One to Four Years	1,575,000	1,110,000
Total Pledge Receivable	<u>4,557,500</u>	<u>6,444,666</u>
Less: Discount to Net Present Value at Rates Ranging from 1.22% to 4.74%	(136,185)	(95,556)
Net Pledge Receivable	<u>\$ 4,421,315</u>	<u>\$ 6,349,110</u>

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Computer Equipment	\$ 131,654	\$ 22,056
Furniture and Fixtures	1,249,621	522,659
Leasehold Improvements	4,675,838	1,989,638
Website Design	683,056	683,056
Total	<u>6,740,169</u>	<u>3,217,409</u>
Less: Accumulated Depreciation	1,524,676	1,828,773
Total Property and Equipment, Net	<u>\$ 5,215,493</u>	<u>\$ 1,388,636</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$594,215 and \$374,658, respectively.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 INVESTMENTS AND INVESTMENT INCOME

Investments recorded at fair value as of June 30, 2024 and 2023 are as follow:

	Fair Value	
	2024	2023
Equities, Including Mutual Funds	\$ 28,063,150	\$ 28,625,107
Bonds	8,847,792	3,989,988
Other Investment:		
Insurance Annuities	1,563,894	2,482,346
Money Markets	2,771,312	418,112
Total Investments	<u>\$ 41,246,148</u>	<u>\$ 35,515,553</u>

Investment income consists of the following for the years ended June 30:

	2024	2023
Interest and Dividends, Net of Investment Fees of \$102,156 and \$90,517 in 2024 and 2023, Respectively	\$ 965,493	\$ 694,091
Net Realized Gains (Losses) on Sale of Investments	(18,219)	22,944
Net Unrealized Gains on Investments	2,473,108	1,576,397
Total Investment Income	<u>\$ 3,420,382</u>	<u>\$ 2,293,432</u>

Dividends and interest income earned on funds restricted by donors, if any, are reported as an increase to donor restricted net assets.

NOTE 5 FAIR VALUE MEASUREMENTS

The Foundation uses fair value measurements to record fair value adjustments to certain assets. For additional information on how the Foundation values all other assets refer to Note 1 – Summary of Significant Accounting Policies.

Assets measured at fair value on a recurring basis as of June 30, 2024 are:

	Total	Level 1	Level 2	Level 3
Equities, Including Mutual Funds	\$ 28,063,150	\$ 28,063,150	\$ -	\$ -
Bonds	8,847,792	8,847,792		
Money Markets	2,771,312	2,771,312	-	-
Other Investment:				
Insurance Annuities	1,563,894	-	1,563,894	-
Total Investments	<u>\$ 41,246,148</u>	<u>\$ 39,682,254</u>	<u>\$ 1,563,894</u>	<u>\$ -</u>

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets measured at fair value on a recurring basis as of June 30, 2023 are:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities, Including Mutual Funds	\$ 28,625,107	\$ 28,625,107	\$ -	\$ -
Bonds	3,989,988	3,989,988		
Money Markets	418,112	418,112		
Other Investment:			-	-
Insurance Annuities	2,482,346	-	2,482,346	-
Total Investments	<u>\$ 35,515,553</u>	<u>\$ 33,033,207</u>	<u>\$ 2,482,346</u>	<u>\$ -</u>

NOTE 6 ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accounts payable, accrued expenses and other current liabilities as of June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Accounts Payable	\$ 753,407	\$ 71,084
Accrued Vacation	472,265	356,210
Accrued 403(b) Employer Contribution	292,280	249,223
Other Accrued Expenses	163,400	-
Total	<u>\$ 1,681,352</u>	<u>\$ 676,517</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Classification of Net Assets

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

	<u>2024</u>	<u>2023</u>
Time Restricted	\$ 4,557,500	\$ 6,444,666
Purpose Restricted:		
Fellowship - Jamie Kirchick	4,163	-
Faculty Legal Defense Fund	712,553	1,085,928
Summer Internship Program	40,720	-
Colcom - Engagement & Mobilization Campaign	27,000	-
Public Advocacy Internship (CA Student)	10,000	-
Faculty Campaign Finance Contribution Dataset Project	45,000	-
Melvin S Cohen First Amendment Litigation Fund	-	411,543
Total Purpose Restricted	<u>5,396,936</u>	<u>7,942,137</u>
Endowment Funds	24,386	24,386
Total	<u>\$ 5,421,322</u>	<u>\$ 7,966,523</u>

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Classification of Net Assets (Continued)

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

	<u>2024</u>	<u>2023</u>
Alumni Outreach	\$ -	\$ 15,318
Cornell Free Speech Alliance	-	2,490
Due Process Advocacy Campaign - 2022	-	21,007
Faculty Legal Defense Fund	373,375	205,433
Fellowship - Jamie Kirchick	45,837	-
FIRE Advertising Campaign	-	2,710,693
FIRE Spring Gala - 2023	-	200,000
FIRE Student Network / FIRE Litigation Project	-	16,000
Fraternity Forward Coalition	-	46,250
HS Outreach - Intellectual History Mini-Course	-	15,000
Melvin S. Cohen First Amendment Litigation Fund	417,712	88,457
MI Policy Reform	-	46,800
Other - Restricted for Time	9,394,166	5,433,667
Spotlight Database and Website Project	-	103,017
Summer Internship Program	55,125	-
Total	<u>\$ 10,286,215</u>	<u>\$ 8,904,132</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 \$24,386 for both June 30, 2024 and 2023, 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. This policy does not go into effect until there are earnings on the endowment. There have been no earnings on the endowment for the year ended June 30, 2024 and 2023, respectively.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 OPERATING LEASES

The Foundation leases office space in Philadelphia and Washington, DC, and office equipment under long-term, non-cancelable lease agreements. The leases expire at various dates through 2035. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Some agreements require the Foundation to pay real estate taxes, insurance, and repairs. The following table provides quantitative information concerning the Foundation's leases:

	<u>2024</u>	<u>2023</u>
Lease Costs:		
Operating Lease Costs	<u>\$ 715,718</u>	<u>\$ 681,974</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 815,107	\$ 818,698
ROU Assets Obtained in the Exchange for Lease Liabilities:		
Operating Leases	\$ 2,054,831	\$ -
Weighted-Average Remaining Lease Term - Operating Leases (In Years)	10.44	8.15
Weighted-Average Discount Rate - Operating Leases	4.11%	3.80%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 830,654
2026	948,507
2027	970,006
2028	950,513
2029	970,807
Thereafter	<u>5,701,418</u>
Total Lease Payments	10,371,905
Less: Interest	<u>2,016,344</u>
Present Value of Lease Liabilities	<u>\$ 8,355,561</u>

NOTE 9 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 6% of their base annual earnings and distributed this match in January. The total pension expense for the years ended June 30, 2024 and 2023 was \$474,128 and \$380,484, respectively.

FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 8, 2024, the date the financial statements were available to be issued.



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