

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**



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**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
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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, 2025 and 2024, 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, 2025 and 2024, 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  
October 27, 2025

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 6,317,283	\$ 5,987,170
Accounts Receivable	119,915	228
Pledges Receivable, Current Portion	4,425,000	2,982,500
Inventory	18,593	-
Prepaid Expenses	<u>773,056</u>	<u>595,475</u>
Total Current Assets	11,653,847	9,565,373
<b>PROPERTY AND EQUIPMENT, NET</b>	4,828,376	5,215,493
<b>INVESTMENTS</b>	50,585,570	41,246,148
<b>OTHER ASSETS</b>		
Operating Leases Right-of-Use Assets	5,262,418	5,649,675
Security Deposit	129,473	149,651
Pledges Receivable, Net of Current Portion	<u>1,638,026</u>	<u>1,438,815</u>
Total Other Assets	<u>7,029,917</u>	<u>7,238,141</u>
Total Assets	<u><u>\$ 74,097,710</u></u>	<u><u>\$ 63,265,155</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable, Accrued Expenses and Other Current Liabilities	\$ 1,755,126	\$ 1,681,352
Current Lease Liabilities - Operating	<u>648,557</u>	<u>498,776</u>
Total Current Liabilities	2,403,683	2,180,128
<b>LONG-TERM LIABILITIES</b>		
Long-Term Lease Liabilities - Operating	<u>7,233,770</u>	<u>7,856,785</u>
Total Long-Term Liabilities	<u>7,233,770</u>	<u>7,856,785</u>
Total Liabilities	9,637,453	10,036,913
<b>NET ASSETS</b>		
Without Donor Restrictions	58,178,151	47,806,920
With Donor Restrictions	<u>6,282,106</u>	<u>5,421,322</u>
Total Net Assets	<u>64,460,257</u>	<u>53,228,242</u>
Total Liabilities and Net Assets	<u><u>\$ 74,097,710</u></u>	<u><u>\$ 63,265,155</u></u>

See accompanying Notes to Financial Statements.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions and Grants	\$ 27,272,507	\$ 9,210,000	\$ 36,482,507	\$ 24,510,274	\$ 7,741,014	\$ 32,251,288
Realized Investment Income	2,831,540	-	2,831,540	947,274	-	947,274
Other Income	607,781	-	607,781	123,616	-	123,616
Total	30,711,828	9,210,000	39,921,828	25,581,164	7,741,014	33,322,178
Net Assets Released from Restrictions	8,349,216	(8,349,216)	-	10,286,215	(10,286,215)	-
Total Support and Revenue	39,061,044	860,784	39,921,828	35,867,379	(2,545,201)	33,322,178
<b>EXPENSES</b>						
Program Services	23,645,850	-	23,645,850	22,088,535	-	22,088,535
Administrative Services	2,749,853	-	2,749,853	2,107,905	-	2,107,905
Development	3,244,937	-	3,244,937	3,692,542	-	3,692,542
Total Expenses	29,640,640	-	29,640,640	27,888,982	-	27,888,982
<b>OTHER REVENUE AND EXPENSE</b>						
Unrealized Investment Income	950,827	-	950,827	2,473,108	-	2,473,108
Gain on Disposal of Lease Related Asset	-	-	-	170,998	-	170,998
Total Nonoperating Revenue and Expenses	950,827	-	950,827	2,644,106	-	2,644,106
<b>CHANGE IN NET ASSETS</b>	10,371,231	860,784	11,232,015	10,622,503	(2,545,201)	8,077,302
Net Assets - Beginning of Year	47,806,920	5,421,322	53,228,242	37,184,417	7,966,523	45,150,940
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 58,178,151</u>	<u>\$ 6,282,106</u>	<u>\$ 64,460,257</u>	<u>\$ 47,806,920</u>	<u>\$ 5,421,322</u>	<u>\$ 53,228,242</u>

See accompanying Notes to Financial Statements.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2025**

	Program Services				Management and General	Development	Total
	Advocacy	Education	Awareness	Total Program			
Wages, Payroll Taxes, and Benefits	\$ 7,535,111	\$ 1,868,976	\$ 4,265,126	\$ 13,669,213	\$ 2,175,652	\$ 2,152,981	\$ 17,997,846
Awards and Scholarships	3,308	358,815	1,885	364,008	965	948	365,921
Business Insurance	44,846	11,061	25,548	81,455	13,080	12,855	107,390
Communications	16,301	4,020	9,286	29,607	4,754	4,672	39,033
Computer and Network Costs	530,636	130,880	302,295	963,811	154,769	152,100	1,270,680
Depreciation	324,789	80,108	185,027	589,924	94,730	93,097	777,751
Dues and Subscriptions	58,008	3,397	3,581	64,986	1,833	1,801	68,620
Event Expense	122,180	1,927,134	71,490	2,120,804	29,126	28,624	2,178,554
Grant Expense	-	249,519	12,425	261,944	-	-	261,944
Lectures and Conferences	10,445	132,570	650	143,665	-	-	143,665
Occupancy	516,682	127,439	294,345	938,466	150,699	148,101	1,237,266
Office Expenses	76,298	18,482	47,035	141,815	21,807	128,969	292,591
Postage and Delivery	15,804	5,068	29,904	50,776	2,939	78,149	131,864
Printing and Reproduction	12,765	3,663	32,537	48,965	1,880	151,051	201,896
Professional Fees	327,883	102,577	824,301	1,254,761	22,367	51,251	1,328,379
Publicity and Advertising	12,142	25,797	816,847	854,786	2,004	3,503	860,293
Research Services	2,999	905,727	-	908,726	-	1,727	910,453
Staff Training and Development	169,064	41,699	96,313	307,076	49,311	48,460	404,847
Travel and Entertainment	394,009	218,647	238,406	851,062	23,937	186,648	1,061,647
Total Expenses by Function	<u>\$ 10,173,270</u>	<u>\$ 6,215,579</u>	<u>\$ 7,257,001</u>	<u>\$ 23,645,850</u>	<u>\$ 2,749,853</u>	<u>\$ 3,244,937</u>	<u>\$ 29,640,640</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 Expenses by Function	<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.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 11,232,015	\$ 8,077,302
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Gains on Investments	(2,559,159)	(2,454,889)
Depreciation	777,751	594,215
Noncash Lease Expense	(85,977)	1,470,012
Loss on Disposal of Property and Equipment	-	311,441
(Increase) Decrease in:		
Accounts Receivable	(119,687)	-
Pledges Receivable	(1,641,711)	1,927,795
Inventory	(18,593)	-
Prepaid Expenses	(177,581)	(259,427)
Security Deposits	20,178	(20,178)
Increase in:		
Accounts Payable, Accrued Expenses and		
Other Current Liabilities	<u>73,774</u>	<u>1,004,835</u>
Net Cash Provided by Operating Activities	<u>7,501,010</u>	<u>10,651,106</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(30,405,021)	(15,899,299)
Proceeds on Sale of Investments	23,624,758	12,623,593
Purchase of Leasehold Improvements, Equipment,		
and Website Design	<u>(390,634)</u>	<u>(4,732,513)</u>
Net Cash Used by Investing Activities	<u>(7,170,897)</u>	<u>(8,008,219)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	330,113	2,642,887
Cash and Cash Equivalents - Beginning of Year	<u>5,987,170</u>	<u>3,344,283</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 6,317,283</u></u>	<u><u>\$ 5,987,170</u></u>

See accompanying Notes to Financial Statements.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**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. The Foundation educates Americans about the importance of these inalienable rights, promotes a culture of respect for these rights, and provides the means to preserve them. The Foundation recognizes that colleges and universities play a vital role in preserving free thought within a free society. To this end, the Foundation 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, 2025 AND 2024**

**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 years ended June 30, 2025 and 2024, respectively, 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. Money market funds included in the investment portfolio are classified as investments on the accompanying statement of financial position as those funds are intended for investment purposes.

The valuations on the Foundation's insurance annuities are based on the guaranteed interest rate from each insurance company. These fixed annuities use a simple interest rate on APY (Annual Percentage Yield) until maturity. Market value is determined by simple interest credited to each annuity, with no underlying investments. The APY is guaranteed by each insurance company.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments and Investment Risk (Continued)**

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.

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:

Computer Equipment	5 Years
Furniture and Fixtures	7 Years
Leasehold Improvements	5 to 10 Years
Website Design	3 Years
Domain Name	15 Years

**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.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

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.

**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.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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, 2025 and 2024.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial Assets and Liquidity Resources:		
Cash and Cash Equivalents	\$ 6,317,283	\$ 5,987,170
Pledges Receivable	4,425,000	2,982,500
Short-Term Investments	49,014,155	39,682,254
Total Financial Assets and Liquidity Resources	<u>59,756,438</u>	<u>48,651,924</u>
Less: Donor Restricted	<u>(6,282,106)</u>	<u>(5,421,322)</u>
Total Financial Assets and Liquidity Resources Available Within One Year	<u><u>\$ 53,474,332</u></u>	<u><u>\$ 43,230,602</u></u>

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 3, were \$4,425,000 and \$2,982,500 as of June 30, 2025 and 2024, 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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Assets and Liquidity Resources (Continued)**

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 \$24,386 are available to meet the operating expenses of the Foundation that exceed the amount of available liquidity resources noted above for both June 30, 2025 and 2024, respectively.

**NOTE 2 FINANCIAL INSTRUMENTS AND CREDIT RISK**

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. For the years ended June 30, 2025 and 2024, the Foundation had approximately \$6,067,000 and \$5,703,000, respectively in excess of FDIC insurance limits. To date, the Foundation has not experienced losses in any of these accounts.

**NOTE 3 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Receivable in Less Than One Year	\$ 4,425,000	\$ 2,982,500
Receivable One to Four Years	<u>1,775,000</u>	<u>1,575,000</u>
Total Pledge Receivable	6,200,000	4,557,500
Less: Discount to Net Present Value at Rates Ranging from 1.22% to 4.74%	<u>(136,974)</u>	<u>(136,185)</u>
Net Pledge Receivable	<u><u>\$ 6,063,026</u></u>	<u><u>\$ 4,421,315</u></u>



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**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2025 and 2024:

	2025	2024
Computer Equipment	\$ 143,019	\$ 131,654
Furniture and Fixtures	1,289,455	1,249,621
Leasehold Improvements	4,769,620	4,675,838
Website Design	515,131	683,056
Domain Name	200,000	-
Total	<u>6,917,225</u>	<u>6,740,169</u>
Less: Accumulated Depreciation	<u>2,088,849</u>	<u>1,524,676</u>
Total Property and Equipment, Net	<u><u>\$ 4,828,376</u></u>	<u><u>\$ 5,215,493</u></u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$777,751 and \$594,215, respectively.

**NOTE 5 INVESTMENTS AND INVESTMENT INCOME**

Investments recorded at fair value as of June 30, 2025 and 2024 are as follow:

	Fair Value	
	2025	2024
Equities, Including Mutual Funds	\$ 32,250,033	\$ 28,063,150
Bonds	13,953,884	8,847,792
Other Investment:		
Insurance Annuities	1,571,415	1,563,894
Money Markets	2,810,238	2,771,312
Total Investments	<u><u>\$ 50,585,570</u></u>	<u><u>\$ 41,246,148</u></u>

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

	2025	2024
Interest and Dividends, Net of Investment Fees of \$94,935 and \$102,156 in 2025 and 2024, Respectively	\$ 1,132,256	\$ 965,493
Net Realized Gains (Losses) on Sale of Investments	1,699,284	(18,219)
Net Unrealized Gains on Investments	950,827	2,473,108
Total Investment Income	<u><u>\$ 3,782,367</u></u>	<u><u>\$ 3,420,382</u></u>

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

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**NOTE 6 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, 2025 are:

	Total	Level 1	Level 2	Level 3
Equities, Including Mutual Funds	\$ 32,250,033	\$ 32,250,033	\$ -	\$ -
Bonds	13,953,884	-	13,953,884	-
Money Markets	2,810,238	2,810,238	-	-
Total Investments at Fair Value	49,014,155	35,060,271	13,953,884	-
Other Investment:				
Insurance Annuities	1,571,415	-	-	-
Total Investments	<u>\$ 50,585,570</u>	<u>\$ 35,060,271</u>	<u>\$ 13,953,884</u>	<u>\$ -</u>

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	-	-
Total Investments at Fair Value	39,682,254	30,834,462	8,847,792	-
Other Investment:				
Insurance Annuities	1,563,894	-	-	-
Total Investments	<u>\$ 41,246,148</u>	<u>\$ 30,834,462</u>	<u>\$ 8,847,792</u>	<u>\$ -</u>

**NOTE 7 ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accounts payable, accrued expenses and other current liabilities as of June 30, 2025 and 2024, respectively, consist of the following:

	2025	2024
Accounts Payable	\$ 248,746	\$ 753,407
Accrued Vacation	592,449	472,265
Accrued 403(b) Employer Contribution	287,499	275,457
Other Accrued Expenses	626,432	180,223
Total	<u>\$ 1,755,126</u>	<u>\$ 1,681,352</u>

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**NOTE 8 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:

	2025	2024
Time Restricted	\$ 6,200,000	\$ 4,557,500
Purpose Restricted:		
Fellowship - Jamie Kirchick	-	4,163
Faculty Legal Defense Fund	-	712,553
Summer Internship Program	27,720	40,720
Pittsburgh Engagement & Mobilization Campaign	-	27,000
Public Advocacy Internship	-	10,000
Faculty Campaign Finance Contribution		
Dataset Project	30,000	45,000
Total Purpose Restricted	6,257,720	5,396,936
Endowment Funds	24,386	24,386
Total	<u>\$ 6,282,106</u>	<u>\$ 5,421,322</u>

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

	2025	2024
Pittsburgh Engagement & Mobilization Campaign	\$ 27,000	\$ -
Faculty Campaign Finance Contribution Dataset Project	15,000	-
Faculty Legal Defense Fund	712,553	373,375
Fellowship - Jamie Kirchick	4,163	45,837
Melvin S. Cohen First Amendment Litigation Fund	-	417,712
Other - Restricted for Time	7,517,500	9,394,166
Public Advocacy Internship	10,000	-
Summer Internship Program	63,000	55,125
Total	<u>\$ 8,349,216</u>	<u>\$ 10,286,215</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, 2025 and 2024, 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, 2025 and 2024, respectively.

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**NOTE 9 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>2025</u>	<u>2024</u>
Lease Costs:		
Operating Lease Costs	<u>\$ 752,708</u>	<u>\$ 715,718</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 838,686	\$ 815,107
Right-of-Use Assets Obtained in the Exchange for Lease Liabilities:		
Operating Leases	\$ -	\$ 2,054,831
Weighted-Average Remaining Lease Term - Operating Leases (In Years)	9.61 Years	10.44 Years
Weighted-Average Discount Rate - Operating Leases	4.11%	4.11%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 957,270
2027	978,769
2028	959,275
2029	971,538
2030	989,430
Thereafter	<u>4,711,988</u>
Total Lease Payments	9,568,270
Less: Interest	<u>1,685,943</u>
Present Value of Lease Liabilities	<u>\$ 7,882,327</u>

**NOTE 10 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, 2025 and 2024 was \$536,824 and \$474,128, respectively.

**FOUNDATION FOR INDIVIDUAL RIGHTS AND EXPRESSION, INC.**  
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**NOTE 11 SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 27, 2025, the date the financial statements were available to be issued.

