

**FOUNDATION FOR INDIVIDUAL RIGHTS
IN EDUCATION, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

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, 2017 and 2016, 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, 2017 and 2016, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 27, 2017

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,434,948	\$ 1,554,529
Certificates of Deposit	6,614,000	3,636,000
Accounts Receivable	3,092	4,501
Pledge Receivable	325,000	705,000
Prepaid Expenses	226,973	617,440
Total Current Assets	10,604,013	6,517,470
LEASEHOLD IMPROVEMENTS, EQUIPMENT, AND WEBSITE DESIGN, NET	1,308,153	1,160,602
OTHER ASSETS		
Security Deposit	91,309	91,309
Total Assets	\$ 12,003,475	\$ 7,769,381
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 185,633	\$ 182,912
LONG TERM LIABILITIES		
Deferred Rent	307,848	232,305
Deferred Lease Obligation	817,710	733,528
Total Long-Term Liabilities	1,125,558	965,833
Total Liabilities	1,311,191	1,148,745
NET ASSETS		
Unrestricted	8,021,881	4,145,562
Temporarily Restricted	2,647,039	2,451,742
Permanently Restricted	23,364	23,332
Total Net Assets	10,692,284	6,620,636
Total Liabilities and Net Assets	\$ 12,003,475	\$ 7,769,381

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Contributions and Grants	\$ 7,643,802	\$ 3,114,500	\$ -	\$ 10,758,302	\$ 4,552,270	\$ 1,608,540	\$ -	\$ 6,160,810
Interest Income	57,464	-	32	57,496	27,730	-	31	27,761
Realized Gains (Losses) on Stock Donations	(41,843)	-	-	(41,843)	4,260	-	-	4,260
Other Income	84,986	-	-	84,986	170,660	-	-	170,660
Total	<u>7,744,409</u>	<u>3,114,500</u>	<u>32</u>	<u>10,858,941</u>	<u>4,754,920</u>	<u>1,608,540</u>	<u>31</u>	<u>6,363,491</u>
Net Assets Released from Restrictions	<u>2,919,203</u>	<u>(2,919,203)</u>	<u>-</u>	<u>-</u>	<u>1,822,120</u>	<u>(1,822,120)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	10,663,612	195,297	32	10,858,941	6,577,040	(213,580)	31	6,363,491
EXPENSES								
Program Services	5,299,379	-	-	5,299,379	4,528,451	-	-	4,528,451
Administrative Services	697,152	-	-	697,152	472,815	-	-	472,815
Development	790,762	-	-	790,762	656,877	-	-	656,877
Total Expenses	<u>6,787,293</u>	<u>-</u>	<u>-</u>	<u>6,787,293</u>	<u>5,658,143</u>	<u>-</u>	<u>-</u>	<u>5,658,143</u>
CHANGE IN NET ASSETS	3,876,319	195,297	32	4,071,648	918,897	(213,580)	31	705,348
Net Assets - Beginning of Year	<u>4,145,562</u>	<u>2,451,742</u>	<u>23,332</u>	<u>6,620,636</u>	<u>3,226,665</u>	<u>2,665,322</u>	<u>23,301</u>	<u>5,915,288</u>
NET ASSETS - END OF YEAR	<u>\$ 8,021,881</u>	<u>\$ 2,647,039</u>	<u>\$ 23,364</u>	<u>\$ 10,692,284</u>	<u>\$ 4,145,562</u>	<u>\$ 2,451,742</u>	<u>\$ 23,332</u>	<u>\$ 6,620,636</u>

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

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	\$ -	\$ 11,250	\$ -	\$ -	\$ 5,000	\$ -	\$ 16,250	\$ -	\$ -	\$ 16,250
Business Insurance	3,223	5,055	1,691	5,333	8,143	7,203	30,648	2,977	4,708	38,333
Communications	4,537	7,410	1,849	7,138	12,191	6,178	39,303	3,956	6,286	49,545
Computer and Network Costs	9,303	13,034	3,652	12,487	46,304	13,551	98,331	6,940	17,043	122,314
Depreciation	-	-	-	-	-	-	-	185,052	-	185,052
Dues and Subscriptions	216	1,279	156	8,388	570	461	11,070	192	459	11,721
Event Expense	329	125,332	241	591	4,340	15,494	146,327	334	15,447	162,108
Lectures and Conferences	1,148	20,852	506	7,873	3,032	4,925	38,336	707	1,578	40,621
Licenses and Permits	51	77	15	76	145	28	392	41	3,567	4,000
Occupancy	43,343	66,919	19,107	69,198	114,508	69,744	382,819	38,432	60,981	482,232
Office Expenses	4,497	7,063	2,537	7,612	14,706	9,199	45,614	4,168	12,812	62,594
Postage and Delivery	858	2,320	525	2,296	6,218	2,280	14,497	814	5,263	20,574
Printing and Reproduction	843	12,859	388	15,603	13,108	1,477	44,278	755	39,504	84,537
Professional Fees	10,056	16,069	1,018,248	40,191	89,588	12,372	1,186,524	8,661	13,772	1,208,957
Publicity and Advertising	233	14,944	155	408	21,685	1,667	39,092	230	4,719	44,041
Research Services	298	466	271	16,081	1,810	26,436	45,362	291	6,611	52,264
Staff Training and Development	3,052	4,474	4,496	6,428	7,360	6,466	32,276	2,087	4,540	38,903
Travel and Entertainment	13,670	78,336	22,505	57,598	53,484	17,701	243,294	7,360	18,721	269,375
Wages, Payroll Taxes, and Benefits	290,917	466,489	144,026	696,294	911,083	376,157	2,884,966	434,155	574,751	3,893,872
Total	\$ 386,574	\$ 854,228	\$ 1,220,368	\$ 953,595	\$ 1,313,275	\$ 571,339	\$ 5,299,379	\$ 697,152	\$ 790,762	\$ 6,787,293

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Program Services								
	Individual Rights Defense Program	Individual Rights Education Program	Campus Freedom Network	Free Speech Litigation Project	Policy Reform	Total Program Services	Management and General	Development	Total
Awards and Scholarships	\$ 1,071	\$ 2,585	\$ 241	\$ 1,549	\$ 3,145	\$ 8,591	\$ 847	\$ 1,358	\$ 10,796
Business Insurance	2,190	3,241	493	3,167	6,433	15,524	1,733	2,777	20,034
Communications	5,927	8,930	1,343	8,543	17,523	42,266	4,592	8,062	54,920
Computer and Network Costs	7,020	9,210	1,387	8,917	33,162	59,696	18,244	7,950	85,890
Depreciation	-	-	-	-	-	-	86,430	-	86,430
Dues and Subscriptions	743	800	122	3,048	2,017	6,730	600	835	8,165
Event Expense	79	73,125	18	132	1,955	75,309	85	15,114	90,508
Lectures and Conferences	2,783	27,252	512	3,637	17,064	51,248	1,799	2,882	55,929
Licenses and Permits	68	103	16	101	934	1,222	54	3,586	4,862
Occupancy	43,428	64,042	9,816	62,628	127,128	307,042	34,160	54,761	395,963
Office Expenses	8,421	12,404	2,027	11,991	29,419	64,262	19,494	12,629	96,385
Postage and Delivery	2,777	5,273	623	4,007	12,343	25,023	2,215	30,281	57,519
Printing and Reproduction	3,133	10,090	5,493	22,194	19,284	60,194	2,479	41,923	104,596
Professional Fees	16,984	27,534	781,555	153,786	55,487	1,035,346	13,107	22,429	1,070,882
Publicity and Advertising	1,411	10,078	263	1,688	9,596	23,036	923	1,979	25,938
Research Services	1,072	554	-	10,574	9,302	21,502	18	8,742	30,262
Staff Training and Development	4,138	7,197	828	5,689	23,261	41,113	3,068	5,930	50,111
Travel and Entertainment	18,292	64,321	9,137	39,439	85,983	217,172	26,242	23,547	266,961
Wages, Payroll Taxes, and Benefits	325,003	539,203	180,142	470,088	958,739	2,473,175	256,725	412,092	3,141,992
Total	<u>\$ 444,540</u>	<u>\$ 865,942</u>	<u>\$ 994,016</u>	<u>\$ 811,178</u>	<u>\$ 1,412,775</u>	<u>\$ 4,528,451</u>	<u>\$ 472,815</u>	<u>\$ 656,877</u>	<u>\$ 5,658,143</u>

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,071,648	\$ 705,348
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	185,052	86,430
(Increase) Decrease in:		
Accounts Receivable	1,409	(4,147)
Pledge Receivable	380,000	182,500
Prepaid Expenses	390,467	(242,394)
Security Deposit	-	6,877
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	2,721	77,060
Deferred Rent	75,543	182,888
Deferred Lease Obligation	84,182	733,528
Net Cash Provided by Operating Activities	5,191,022	1,728,090
 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	(4,478,000)	(2,136,000)
Redemption of Certificate of Deposit	1,500,000	1,000,000
Purchase of Leasehold Improvements, Equipment, and Website Design	(332,603)	(1,171,405)
Net Cash Used by Investing Activities	(3,310,603)	(2,307,405)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,880,419	(579,315)
 Cash and Cash Equivalents - Beginning of Year	1,554,529	2,133,844
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,434,948	\$ 1,554,529
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Noncash Additions to Leasehold Improvements	\$ -	\$ 775,964

See accompanying Notes to Financial Statements.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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

Resources in the accompanying financial statements are classified for accounting and reporting purposes into three classes of net assets according to the existence or absence of donor-imposed restrictions as follows:

Permanently Restricted Net Assets

Net assets that are subject to donor-imposed restrictions that are to be maintained permanently by the Foundation or used to account for funds which have been accepted with donor stipulations that principal be maintained intact in perpetuity. At June 30, 2017 and 2016, the Foundation had permanently restricted net assets of \$23,364 and \$23,332 respectively.

Temporarily Restricted Net Assets

Net assets that are subject to donor-imposed restrictions relating to use and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2017 and 2016, the Foundation had temporarily restricted net assets of \$2,647,039 and \$2,451,742, respectively.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed restrictions.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets released from restrictions.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 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.

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. 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.

Office Equipment	5-10 Years
Leasehold Improvements	10 Years
Website Design	3 Years

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 temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. These 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, 2017 AND 2016**

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 summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 27, 2017, 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:

	2017	2016
Receivable in Less Than One Year	\$ 325,000	\$ 705,000
Total Pledge Receivable	\$ 325,000	\$ 705,000

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3 LEASEHOLD IMPROVEMENTS, EQUIPMENT, AND WEBSITE DESIGN

Leasehold improvements, equipment and website design assets as of June 30, 2017 and 2016 were recorded at cost as follows:

	<u>2017</u>	<u>2016</u>
Computer Equipment	\$ 22,056	\$ -
Furniture and Fixtures	308,204	239,007
Leasehold Improvements	1,142,020	929,996
Website Design	153,262	123,937
Total	<u>1,625,542</u>	<u>1,292,940</u>
Less: Accumulated Depreciation	<u>317,389</u>	<u>132,338</u>
Total Equipment and Website Design, Net	<u>\$ 1,308,153</u>	<u>\$ 1,160,602</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$185,052 and \$86,430, respectively.

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30:

	<u>2017</u>	<u>2016</u>
Time Restricted	\$ 275,000	\$ 705,000
Purpose Restricted:		
iPhone Application	10,000	15,000
Stand Up For Speech Litigation Project	50,000	527,917
Legal Transformation Project	-	992,165
Spotlight Database and Website Project	96,730	90,430
First Amendment Library	8,242	81,230
FSN Conference	-	40,000
Legal Projects	488,317	-
Court Case 1	20,000	-
Harvard Campaign	2,200	-
Due Process Project	51,900	-
Student Defenders	47,500	-
Policy Reform Project	994,150	-
Legal Projects 2	75,000	-
Top 25 Project	25,000	-
High School Outreach	15,000	-
Free Expression Campaign	123,000	-
Court Case 2	75,000	-
Freedom of Information Act Requests	45,000	-
Million Voices Project	150,000	-
Venture Fund	95,000	-
Total Purpose Restricted	<u>2,372,039</u>	<u>1,746,742</u>
Total	<u>\$ 2,647,039</u>	<u>\$ 2,451,742</u>

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Temporarily restricted net assets released from restrictions for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Video Fellow	\$ 50,000	\$ 50,000
Legal Transformation Project	503,849	307,835
Stand Up For Speech Litigation Project	782,916	1,354,445
First Amendment Library	72,988	18,770
Spotlight Database and Website Project	88,700	79,570
Summer Intern Program	15,500	10,000
FSN Conference	80,000	1,500
Other - Restricted for Time	630,000	-
Harvard Campaign	13,800	-
Project SOAR	500,000	-
Due Process Project	148,100	-
Student Defenders	12,500	-
Policy Reform Project	5,850	-
Freedom of Information Act Requests	5,000	-
Venture Fund	5,000	-
iPhone Application Design	5,000	-
Total	\$ 2,919,203	\$ 1,822,120

NOTE 5 PERMANENTLY RESTRICTED NET ASSETS

Endowment

The Foundation's endowment consists of one individual fund established primarily to fund operations. The endowment includes only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions or Pennsylvania Law.

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 US Treasury Money Market Fund.

The financial activity of the endowment fund is reflected on the statement of activities under the heading permanently restricted.

FOUNDATION FOR INDIVIDUAL RIGHTS IN EDUCATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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, 2017 and 2016 was \$395,963 and \$276,854, respectively.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 574,816
2019	586,681
2020	494,709
2021	453,217
2022	461,694
Thereafter	<u>2,479,749</u>
Total	<u>\$ 5,050,866</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, 2017 and 2016 was \$45,780 and \$40,116, respectively.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.