The Advocates for Human Rights

Financial Statements with
Independent Auditor's Report

June 30, 2025

The Advocates for Human Rights
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Advocates for Human Rights

Opinion

We have audited the accompanying financial statements of The Advocates for Human Rights (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Advocates for Human Rights as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Advocates for Human Rights and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 The Advocates for Human Rights' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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.

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- 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 The Advocates for Human Rights' 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 The Advocates for Human Rights' ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited The Advocates for Human Rights' 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schutz CPA, Ltd.

Schutz CPA, Ltd.

October 31, 2025

The Advocates for Human Rights
Statement of Financial Position
June 30, 2025
(With Summarized Comparative Totals for 2024)

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivelants	$ 524,284	$ 118,428
Accounts Receivable	404,222	197,420
Grants Receivable	215,980	519,097
Promises to Give	45,482	49,740
Accounts Receivable - Other	159,691	504,197
Prepaid Expenses	83,934	52,059
Total Current Assets	1,433,593	1,440,941
Property and Equipment		
Fixtures and Equipment	44,916	44,916
Accumulated Depreciation	(44,916)	(44,467)
Net Property and Equipment		449
Other Assets		
Investments	2,975,438	2,509,124
Security Deposit	10,132	10,132
Right of Use Asset (Net of Amortization)	320,549	476,802
Total Other Assets	3,306,119	2,996,058
Total Assets	$ 4,739,712	$ 4,437,448
Liabilities		
Current Liabilities		
Accounts Payable	95,957	112,163
Accrued Wages	149,446	
Accrued Vacation	83,488	72,896
Payroll Liabilities	8,089	10,158
Deferred Revenue	33,863	
Lease Liability - Current	153,299	158,430
Total Current Liabilities	524,142	353,647
Long-Term Debt		
Lease Liability - Net of Current	220,217	358,820
Total Liabilities	744,359	712,467
Net Assets		
Without Donor Restriction	3,422,661	3,552,570
With Donor Restriction	572,692	172,411
Total Net Assets	3,995,353	3,724,981
Total Liabilities and Net Assets	$ 4,739,712	$ 4,437,448

See accompanying notes to financial statements.

The Advocates for Human Rights
Statement of Activities
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	2025			2024
	Without Donor Restriction	With Donor Restriction	Total	Total
Support and Revenue				
Foundation and Corporate Contributions	$ 316,768	$ 544,374	$ 861,142	$ 325,830
Individual Contributions	1,572,342	41,486	1,613,828	1,210,469
Government Grants	1,197,342		1,197,342	1,652,238
In-Kind Donations - Professional Services	16,118,881		16,118,881	20,206,591
In-Kind Donations - Supplies and Event Costs	335,818		335,818	262,814
Contract Revenue	601,694		601,694	526,916
Program Service Fees	10,718		10,718	26,141
Investment Income	216,050		216,050	140,889
Other Income	20		20	1,253
Subtotal Support and Revenue	20,369,633	585,860	20,955,493	24,353,141
Released from Restrictions	185,579	(185,579)		
Special Event	112,196		112,196	207,163
Less Special Events Direct Expenses	(105,968)		(105,968)	(81,143)
Net Special Event	6,228		6,228	126,020
Total Support and Revenue	20,561,440	400,281	20,961,721	24,479,161
Expenses				
Program Services	20,023,662		20,023,662	23,713,923
Management and General	455,975		455,975	456,832
Fundraising	211,712		211,712	203,049
Total Expenses	20,691,349		20,691,349	24,373,804
Change in Net Assets	(129,909)	400,281	270,372	105,357
Net Assets - Beginning of Year	3,552,570	172,411	3,724,981	3,619,624
Net Assets - End of Year	$ 3,422,661	$ 572,692	$ 3,995,353	$ 3,724,981

The Advocates for Human Rights
Statement of Functional Expenses
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	Program Services	Management and General	Fundraising	Expenses Before Special Event	Special Event Expenses	2025 Total Expenses	2024 Total Expenses
Personnel Costs	$ 2,457,060	$ 175,416	$ 108,275	$ 2,740,751		$ 2,740,751	$ 2,719,472
Events and Meetings	15,916	6,440	8,795	31,151	$ 92,016	123,167	112,751
Insurance	28,087	425	299	28,811		28,811	23,545
Miscellaneous	1,694	19,644		21,338		21,338	9,570
Occupancy	288,444	13,323	9,526	311,293		311,293	304,656
Office Equipment	16,032		529	16,561		16,561	77,780
Office Expense	83,277	25,710	2,759	111,746	566	112,312	27,591
Postage	23,225	1,310	8,403	32,938	83	33,021	20,462
Printing and Duplication	22,488	1,594	643	24,725	3,460	28,185	23,725
Professional Services	16,654,654	209,626	69,252	16,933,532	7,400	16,940,932	20,840,394
Subscriptions and Resources	32,147	1,480	836	34,463		34,463	14,754
Telephone and Internet	12,057	557	398	13,012		13,012	18,945
Travel	388,581		1,997	390,578	2,443	393,021	260,271
Depreciation		450		450		450	1,031
Total Expenses	$ 20,023,662	$ 455,975	$ 211,712	$ 20,691,349	$ 105,968	$ 20,797,317	$ 24,454,947

The Advocates for Human Rights
Statement of Cash Flows
Year Ended June 30, 2025
(With Summarized Comparative Totals for 2024)

	2025	2024
Cash Flows from (to) Operating Activities		
Change in Net Assets	$ 270,372	$ 105,357
Adjustments to Reconcile:		
Depreciation	450	1,031
Amortization - Right of Use Asset	156,253	129,792
Realized and Unrealized (Gain) Loss on Investments	(116,314)	(128,967)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	137,703	(671,495)
Grants Receivable	303,117	(30,979)
Promises to Give	4,258	17,226
Prepaid Expenses	(31,875)	(19,081)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(16,206)	(27,213)
Accrued Wages and Vacation	160,038	988
Payroll Liabilities	(2,069)	4,491
Deferred Revenue	33,863	
Net Cash from Operating Activities	899,590	(618,850)
Cash Flows (to) Investing Activities		
Purchase of Investments	(600,000)	
Proceeds from Sale of Investments	250,000	500,000
Net Cash from (to) Investing Activities	(350,000)	500,000
Cash Flows (to) Financing Activities		
Payments on Lease	(143,734)	(166,920)
Net Increase (Decrease) in Cash and Cash Equivalents	405,856	(285,770)
Cash and Cash Equivalents, Beginning of Year	118,428	404,198
Cash and Cash Equivalents, End of Year	$ 524,284	$ 118,428

See accompanying notes to financial statements.

Note 1: Nature of the Organization

Founded in 1983, The Advocates for Human Rights, a non-governmental organization based in the United States, works to ensure all people live with dignity, freedom, justice, equality, and peace. Our mission is to implement international human rights standards to promote civil society and reinforce the rule of law. By involving volunteers in research, education, and advocacy, we build broad constituencies in the United States and select global communities.

The Advocates investigates and exposes human rights violations internationally and in the United States; represents refugee and immigrants who are victims of human rights abuses; trains and assists groups that protect human rights; and works through education and advocacy to engage the public, policymakers, and children in human rights and cultural understanding.

The Advocates program work includes:

Migrants' Human Rights: The Advocates mobilized 845 pro bono legal professionals to provide free immigration legal services to people fleeing persecution or torture, unaccompanied children, trafficking survivors, and people in detention in FY25. In FY25, we delivered legal assistance in approximately 3,000 cases to people living throughout the Upper Midwest.

Women's Human Rights: The Advocates works to end violence against women by monitoring government responses, documenting gaps in protection, training civil society and systems actors, and advancing laws and policies that safeguard women and girls. We work with partners around the world to raise their issues to the international stage and collaborate to counter attacks on women's rights. In Minnesota, The Advocates' WATCH project uses court observation to ensure the court system, and the justice system more broadly, provide access to justice for victims of violence while protecting the human rights of those in the justice system, including victims.

International Justice: The Advocates promotes international human rights by partnering with human rights defenders, coalitions, and affected communities to abolish the death penalty and protect the rights of LGBTIQ+ people, women, migrants, and others facing violence and discrimination. Engaging more than 350 volunteers, The Advocates documents violations, amplifies the voices of human rights defenders, and leverages international human rights mechanisms to influence local change. In FY25, The Advocates collaborated with 54 human rights partners in 51 countries to strengthen protections and drive legal reform.

Research, Education, & Advocacy: The Advocates engages volunteers through the Immigration Court Observation Project to monitor hearings, expose systemic rights violations, and press for reform, with more than 1,400 participants since 2017. The Advocates also advances policy change to align U.S. federal, state, and local laws with international human rights standards. The Advocates combats sex and labor trafficking by addressing the root causes of trafficking, prioritizing survivor protection and agency, and reforming law, policies, and systems.

Nepal School: Since 1999, The Advocates has partnered with the Sankhu-Palubari community in Nepal to provide the most at-risk children with a genuine alternative to child labor through the realization of the basic human right to education. The school provides an entirely free education, including textbooks, uniforms, and a daily meal, to 375 students enrolled in pre-K through grade 10. More than fifty percent of students are girls.

Note 2: Summary of Significant Accounting Policies

Financial Statement Presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Note 2: Summary of Significant Accounting Policies (Continued)

Prior Year Summarized Comparative Financial Information: The prior year June 30, 2024, financial statements are presented as summarized comparative information in total, but not by net asset class. Disclosures for the prior year financial statements are not presented. The June 30, 2024, summarized information does not include adjustments or sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024.

Estimates: The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents: The Organization maintains its cash in bank deposit accounts. Cash equivalent include undeposited funds where checks have been received and amounts received on giving platforms not yet deposited into bank accounts. Cash equivalents do not include cash and cash equivalents held at brokerage firms in investment portfolios.

Accounts and Grants Receivable: The Organization's accounts receivable consist of fee for service earned in the current year and grants receivable consist mostly of donations and government grants for reimbursement of expenses that were effectively received in the current year but not received until the following year.

The Organization provides an allowance for uncollectible accounts based on the allowance method using management's judgement. Accounts receivable are unsecured. An allowance is estimated based on the historical experience of the Organization; accounts that are determined to be uncollectible are written off against the allowance account. No allowance for bad debts was considered necessary at June 30, 2025.

Promises to Give: The Organization records promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. Promises to give are written off when deemed uncollectible. At June 30, 2025, all amounts were considered fully collectible and an allowance account was not deemed necessary.

Property and Equipment: Property and equipment additions over $1,000 are carried at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 7 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

Investments: The Organization records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair value in the statement of financial position. Net investment income/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Note 2: Summary of Significant Accounting Policies (Continued)

Net Assets: Net assets, revenues, gains and losses are classified based on the existence or absence of restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets which are not limited by donor-imposed stipulations.

Net Assets With Donor Restrictions: Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or passage of time or are required by donor-stipulations that they be maintained by the Organization, that neither expire by passage of time nor can be fulfilled or otherwise removed by action of the Organization.

Contributions restricted by donors are shown 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) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on 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.

Revenue and Revenue Recognition:

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable grants and government contracts, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization was awarded cost-reimbursable grants for future periods that have not been recognized at June 30, 2025, because qualifying expenditures have not yet been incurred. At June 30, 2025, there were four contracts with a total of $847,606, remaining to be used in future periods per the contract agreements.

Contract and program revenue are recognized when contracted fee for services are performed and when programs are delivered. Program fees and service contract income are deferred to the applicable period in which related services are performed.

Special event revenue is recorded equal to the fair value of direct benefits to the donors and contributions income for the excess received when the event takes place.

Donated Services and In-Kind Contributions: Contributed nonfinancial assets include donated professional services, event and supply costs, and other in-kind contributions which are recorded at the estimated fair value, at the date of donation, of the services and goods received. In addition, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Functional Allocation of Expenses: The costs of programs and supporting services activities have been summarized on a functional basis and natural classifications in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the Organization's cost centers (functional units) in which expenses are incurred, as well as estimates of time spent by employees and usage of facilities.

Note 2: Summary of Significant Accounting Policies (Continued)

Joint Costs of Activities That Include a Fund-Raising Appeal: The Organization has house parties that include programmatic and administrative information together with a request for contributions in support of the Organization's mission. The associated costs, including in-kind amounts were allocated and included in the functional expense statement.

Income Taxes: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Financial Instruments and Credit Risk: The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed 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.

At June 30, 2025, the Organization had $274,284 in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts, grants, and pledges receivable is considered to be limited due to high historical collection rates, substantial portions of the outstanding amounts are due from foundations, governmental agencies, and individuals supportive of the Organization's mission, and because substantial portions of the outstanding amounts have already been collected. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that investment policies and guidelines are prudent for the long-term welfare of the Organization.

Leases: The Organization accounts for leases using a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The Organization uses a risk-free rate as the discount rate used to measure lease liabilities and right-of-use assets at commencement of a lease.

Short-term leases of 12 months or less are expensed as incurred.

Subsequent Events: The Organization has evaluated subsequent events through October 31, 2025, which was the date the financial statements were available to be issued.

Note 3: Liquidity and Availability

Total current financial assets comprise the following:

Cash and Cash Equivalents	$ 524,284
Accounts Receivable	404,222
Grants Receivable	215,980
Promises to Give	45,482
Accounts Receivable - Other	159,691
Prepaid Expenses	83,934
Total Current Financial Assets	1,433,593

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of the following:

Total Current Financial Assets	$1,433,593
Restricted for Time or Purpose	(572,692)
Available Financial Assets	860,901

Note 3: Liquidity and Availability (Continued)

The Organization regularity monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

As part of the Organization's liquidity management plan the Board established a reserve account to cover budget short falls and to establish up to a six-month expense reserve. At June 30, 2025, the Board Designated reserve funds are held in investments with a balance of $2,975,438.

Note 4: Fair Value Measurement

As required by current accounting standards, fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset. U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. There are no Level 3 investments.

The following table on the following page presents assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following, at June 30, 2025.

Investment In:	(Level 1)	(Level 2)	(Level 3)	Total
Stocks	$ 5,844		$0	$ 5,844
Cash (at Cost)	103,353			103,353
US Government Obligations		$2,866,241		2,866,241
Total Investments	109,197	2,866,241	-0-	2,975,438

Note 5: Accounts Receivable - Other

During the year ended June 30, 2024, the Organization amended payroll tax returns from 2021 to claim the employee retention tax credit created from the Consolidated Appropriations Act of 2021, which allows employers to claim a credit based on eligible payroll amounts related to the Coronavirus pandemic. During fiscal year ended June 30, 2025, $344,506 was received.

Note 6: Loan Management Account

The Organization has a Loan Management Account with a bank which operates as an uncommitted revolving line of credit. Advances, once approved, are due on demand and can either be requested as a variable or fixed interest agreement. Amounts are secured by investments.

Note 7: Leases

The Organization entered into an updated lease agreement for office space which expanded the leased area effective April 1, 2020, and ends October 31, 2027, with possible extension. The Organization has a security deposit on the lease of $10,132. The initial lease called for monthly payments of $11,671 with an annual increase of 3% each July. Common area maintenance and real estate tax are required to be paid by the Organization.

The lease required no monthly payments for July 1, 2020, through January 31, 2021. As part of the new lease the Organization was granted an allowance for leasehold improvements. The Organization did not use the full leasehold improvement allowance and starting February 1, 2021, received a reduction in rent expense until the leasehold improvement rental allowance was used. Prior to adopting the new lease standard, the in-kind rent was recognized over the lease term on a straight-line basis. After adopting the new standard, the remaining seven months of in-kind rent was used to increase the right-of-use asset and the remaining leasehold allowance was credited against rent expense.

There were no renewal options included in the determination of the right-of-use asset and lease liability. Common area maintenance and real estate tax are variable and are charged based on actual expenses so are not included in the right-of-use asset and lease liability. The Organization has elected to use the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases has been elected.

Total lease costs for the year ended June 30, 2025, was $311,292.

The following summarizes supplemental cash flow information:

	Right of Use Asset	Lease Liability
Initial Balance, Beginning of Year	$476,802	$517,250
Reduction of Right of Use Asset	(156,253)	
Reduction of Lease Liability		(143,734)
Ending Balance, June 30, 2025,	320,549	373,516

The weighted-average remaining lease term is 2.3 years.

The weighted-average discount rate was 3.25%.

Note 7: Leases (Continued)

The future minimum lease payments under noncancelable operating leases with terms greater than one year are as follows:

June 30, 2026	$ 163,000
2027	168,000
2028	57,355
Less Interest	(14,839)
Present Value of Lease Liability	373,516

The Organization also leases various office equipment including a copy machine and a postage machine. The remaining right to use asset and lease liability on these leases is less than $10,000 and payments are being expensed as incurred rather than separating lease and non-lease components and recording the right to use asset and corresponding liability.

Note 8: Net Assets With Donor Restrictions

The Organization's net assets with donor restrictions are restricted for the following purposes:

Refugee and Immigrant Rights	$376,584
Research, Education, and Advocacy	150,627
Subject to Passage of Time	45,481
Total Net Assets With Donor Restrictions	572,692

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2025:

Refugee and Immigrant Rights	$76,432
Research, Education, and Advocacy	69,375
Subject to Passage of Time	39,772
Satisfaction of Donor Restrictions	185,579

Note 9: Donated Professional Services and Supplies and Event Costs

For the year ended June 30, 2025, the Organization received contributed nonfinancial assets and recognized the following on the statement of activities as follows:

Contributed Nonfinancial Assets	Program Services	Management and General	Fundraising and Development	Total
Professional Services	$15,914,499	$179,632	$24,750	$16,118,881
Supplies and Event Costs	280,527	20,985	34,306	335,818
Total	16,195,026	200,617	59,056	16,454,699

Contributed professional services and supplies and event costs are valued using market rates and replacement cost (principal market) of identical or similar items considering the experience and condition at the time of contribution. Contributed nonfinancial assets are used as presented in the above table. Contributed professional services consist primarily of legal services used for program purposes.

Many other volunteer service hours, for which no value has been assigned, benefited the Organization during the year ended June 30, 2025, and have not been recognized in the financial statements since they do not meet the requirements for recognition.

In-kind donations - supplies and event costs on the statement of activities includes special event silent auction items of $24,713.

Note 10: Retirement Plan

The Organization has a Salary Reduction Retirement Plan which is qualified under Section 403(b) of the Internal Revenue Code. The plan covers all employees who meet eligibility requirements. The Organization does not make employer contributions into the plan.

Note 11: Related Party Activity

The Organization has several attorneys and other professionals on its Board of Directors. Several of the firms that these professionals are affiliated with provide in-kind contributions of time and services to the Organization to further the work of the Organization according to its mission.