



**N O N H U M A N R I G H T S P R O J E C T**



**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**



## **Independent Auditor's Report**

Board of Directors  
Nonhuman Rights Project  
Coral Springs, Florida

### **Opinion**

We have audited the accompanying financial statements of Nonhuman Rights Project (NhRP), which comprise the statement of financial position as of December 31, 2023, 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 referred to above present fairly, in all material respects, the financial position of NhRP as of December 31, 2023, 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 NhRP 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 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 NhRP's 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, including omissions, 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.
- 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 NhRP'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 NhRP'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.



Bethesda, Maryland  
August 19, 2024

Certified Public Accountants

---

**7625 Wisconsin Avenue, Suite 317 | Bethesda, Maryland 20814**

**202.770.6371**

**| www.mullinspc.com**

**| john@mullinspc.com**

## Nonhuman Rights Project

### Statement of Financial Position December 31, 2023

<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,236,706
Contributions Receivable	6
Investments	2,237,661
Assets Limited to Use	15,000
Prepaid Expenses and Deposits	12,560
Property and Equipment - Net	46,827
<b>Total Assets</b>	<b>\$ 3,548,760</b>
<b>Liabilities and Net Assets</b>	
Accounts Payable and Accrued Expenses	\$ 49,691
<b>Total Liabilities</b>	<b>49,691</b>
<b>Net Assets</b>	
Without Donor Restrictions	3,499,069
<b>Total Net Assets</b>	<b>3,499,069</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,548,760</b>

See Accompanying Notes to Financial Statements

## Nonhuman Rights Project

### Statement of Activities For The Year Ended December 31, 2023

#### Support and Revenues

Contributions	\$ 1,567,765
In-Kind Contributions	614,630
Other	3,193
Investment Income - Net	<u>113,986</u>
<b>Total Support and Revenues</b>	<b><u>2,299,574</u></b>

#### Expenses

Program Services	
Litigation	1,108,434
Advocacy	60,199
Education and Public Relations	<u>492,313</u>
Total Program Services	<u>1,660,946</u>
Supporting Services	
Management and General	206,151
Fundraising	<u>117,719</u>
Total Supporting Service	<u>323,870</u>
<b>Total Expenses</b>	<b><u>1,984,816</u></b>

#### Change in Net Assets

	314,758
Net Assets, Beginning of Year	<u>3,184,311</u>
<b>Net Assets, End of Year</b>	<b><u>\$ 3,499,069</u></b>

**See Accompanying Notes to Financial Statements**

**Nonhuman Rights Project**  
**Statement of Functional Expenses**  
**For The Year Ended December 31, 2023**

	Litigation	Advocacy	Education and Public Relations	Management and General	Fundraising	<b>Total</b>
Personnel	\$ 453,867	\$ 36,787	\$ 294,722	\$ 45,543	\$ 78,641	<b>\$ 909,560</b>
Litigation General Costs	670,339	-	-	-	-	<b>670,339</b>
Advocacy General Costs	103	12,050	11,265	-	-	<b>23,418</b>
Education and Public Relations General Costs	278	10,278	181,093	16	44,202	<b>235,867</b>
Professional Fees	3,333	3,333	3,333	59,869	-	<b>69,868</b>
Office	3,291	2,325	6,572	16,812	416	<b>29,416</b>
Travel Expenses	232	205	270	-	-	<b>707</b>
Bank and Merchant Account Fees	-	-	-	23,456	-	<b>23,456</b>
Depreciation and Amortization	-	-	-	12,346	-	<b>12,346</b>
Insurance	32	-	-	9,807	-	<b>9,839</b>
<b>Total</b>	<b>\$1,131,475</b>	<b>\$ 64,978</b>	<b>\$ 497,255</b>	<b>\$ 167,849</b>	<b>\$ 123,259</b>	<b>\$ 1,984,816</b>

**See Accompanying Notes to Financial Statements**

**Nonhuman Rights Project**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2023**

**Cash Flows from Operating Activities**

Increase (Decrease) in Net Assets	\$ 314,758
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities	
Depreciation and Amortization	12,346
(Gains) Losses on Investments	(38,079)
<u>(Increase) Decrease in Assets</u>	
Contributions Receivable	150,009
Prepaid Expenses and Deposits	7,366
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable and Accrued Expenses	30,087
	476,487
Net Cash Provided by (Used in) Operating Activities	476,487

**Cash Flows from Investing Activities**

Purchases of Property and Equipment	(19,560)
Purchases of Investments	(1,329,817)
Sale of Investments	519,522
	(829,855)
Net Cash Provided by (Used in) Investing Activities	(829,855)
Increase (Decrease) in Cash and Cash Equivalents	(353,368)
Cash and Cash Equivalents, Beginning of Year	1,590,074
	\$ 1,236,706

**Cash and Cash Equivalents, End of Year**

**See Accompanying Notes to Financial Statements**

# Nonhuman Rights Project

## Notes to Financial Statements December 31, 2023

### 1. ORGANIZATION

Nonhuman Rights Project (NhRP) is a nonprofit corporation whose mission is to achieve actual legal rights for members of species other than our own. NhRP's primary source of support is contributions.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of NhRP have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires NhRP to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NhRP. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NhRP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Generally, contributions restricted by donors 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) 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. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 Equivalents

NhRP reports as cash and cash equivalents all highly liquid investments with maturities of less than three months at the date of receipt.

#### Contributions Receivable

Contributions receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.



## **Nonhuman Rights Project**

### **Notes to Financial Statements December 31, 2023**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Investments**

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the statements of activities. Investments acquired by donation are recorded at their market value on the date of donation.

##### **Assets Limited as to Use**

Limited use assets consist of assets set aside under the terms of various trust agreements, under the control of the trustee, to be used for the beneficiary as needed. NhRP is the grantor of three revocable trusts (the "Trusts"). The Trusts provide that, for the beneficiaries' lifetime the trustee will distribute assets of the Trusts for the beneficiary as needed. NhRP has the right to revoke the assets in the Trusts at any point. These assets are held in cash in a separately designated bank account.

##### **Property and Equipment**

Property and equipment are capitalized and stated at cost. Property and equipment consist of office equipment and website development are depreciated on a straight-line basis over the estimated useful lives of the related assets which is five years. The cost of maintenance and repairs is recorded as expenses are incurred.

##### **Contributions**

Contributions are voluntarily surrendered by the donor who does not expect anything in return other than the satisfaction of helping a cause. Unconditional contributions are recognized upon receipt of cash or other assets, or when a donor promises to transfer cash or other assets in the future. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field. Contributed legal services received during the year in the amount of \$614,630 were used for programs.

Contributions are reported as increases in net assets without donor restrictions unless received with donor stipulations that require the assets be used for specific purposes or in specific time periods. All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

##### **Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The majority of expenses are directly allocated based on the nature of the expense. Additionally, certain costs have been allocated among the programs and supporting services benefited allocated based on personnel time allocations.

## **Nonhuman Rights Project**

### **Notes to Financial Statements December 31, 2023**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Income Taxes and Uncertain Tax Positions**

NhRP is exempt from Federal income tax, on its exempt purpose activities, under Section 501(c)(3) of the Internal Revenue Code (IRC). NhRP is subject to income tax on its unrelated business income under the IRC. NhRP had no unrelated business income for the year ended December 31, 2023.

For the year ended December 31, 2023, NhRP has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

##### **New Accounting Pronouncements**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). This guidance requires Organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard was adopted in the current fiscal year and did not have a significant impact on the financial statements.

##### **Comparative Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with NhRP's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

##### **Reclassifications**

Certain amounts in prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications have had no effect on previously reported net assets or changes in net asset amounts.

##### **Subsequent Events**

Management has evaluated subsequent events through August 19, 2024, the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

#### **3. CONCENTRATIONS OF CREDIT RISK**

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, NhRP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

## Nonhuman Rights Project

### Notes to Financial Statements December 31, 2023

#### 4. INVESTMENTS AND FAIR VALUE

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used as of December 31, 2023:

- Money Funds - Fair value is equal to the face value amount of currency held in the account.
- Mutual Funds - Fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained on an active market.
- Fixed Income Funds - Fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained on an active market.
- Equity Funds - Fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained on an active market.

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three general valuation levels that may be used to measure fair value are as described below:

**Level 1** inputs are quoted prices in active markets for identical assets or liabilities.

**Level 2** inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active. Additional level 2 inputs may be other than quoted prices that are observed for the asset or liability or inputs derived principally from or corroborated by observable market data by correlation or other means: and

**Level 3** inputs are the most subjective, are generally based on the entity's own assumptions on how knowledgeable parties would price the assets or liabilities and are developed using the best information available in the circumstances.

The following table sets forth, by level within the fair value hierarchy, NhRP's assets and liabilities, measured and recorded at fair value on a recurring basis, as of December 31, 2023:

	Fair Market Value	Level 1
Money Funds	\$ 1,377,575	\$ 1,377,575
Mutual Funds	696,692	696,692
Fixed Income Funds	118,811	118,811
Equity Funds	44,583	44,583
Total Investments	<u>\$ 2,237,661</u>	<u>\$ 2,237,661</u>

## Nonhuman Rights Project

### Notes to Financial Statements December 31, 2023

#### 4. INVESTMENTS AND FAIR VALUE (CONTINUED)

Investment income for the year ended December 31, 2023 was:

Dividends and Interest	\$ 75,907
Gains and (Losses) - Net	<u>38,079</u>
Total	<u>\$ 113,986</u>

#### 5. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 was as follows:

Furniture and Equipment	\$ 9,305
Website Development Costs	<u>55,842</u>
Total	<u>65,147</u>
Less Accumulated Depreciation and Amortization	<u>(18,320)</u>
Property and Equipment - Net	<u>\$ 46,827</u>

Depreciation and amortization for the year ended December 31, 2023 was \$12,346.

#### 6. NET ASSETS

There were no net assets with donor restrictions as of December 31, 2023.

Net assets without donor restrictions for the year ended December 31, 2023 were undesignated.

#### 7. COMMITMENTS AND CONTINGENCY

From time to time, the NhRP may be involved in various asserted claims and legal proceedings arising in the ordinary course of business, some of which may involve claims for substantial amounts. Management provides provisions for these items to the extent that the losses are deemed both probable and reasonably estimable. No provisions were required for the year ended December 31, 2023.

## Nonhuman Rights Project

### Notes to Financial Statements December 31, 2023

#### 8. FUNCTIONAL EXPENSES

The following represents the functional allocation of the litigation general costs, advocacy general costs and education and public relations general costs on NhRP's statement of functional expenses at December 31, 2023:

	Litigation General	Advocacy General	Education and Public Relations General
Books and Subscriptions	\$ 16,594	\$ 828	\$ 738
Professional Fees	645,045	14,687	231,815
Office	2,681	2,251	2,751
Travel Expenses	6,019	5,652	563
Total	<u>\$ 670,339</u>	<u>\$ 23,418</u>	<u>\$ 235,867</u>

#### 9. AVAILABILITY AND LIQUIDITY

The following represents NhRP's financial assets at December 31, 2023:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 1,236,706
Contributions Receivable	6
Investments	<u>2,237,661</u>
Total Financial Assets	<u>3,474,373</u>
Less Amounts Not Available To Be Used Within One Year:	
Net Assets With Donor Restrictions	-
Quasi Endowment Established by the Board	<u>-</u>
	<u>-</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 3,474,373</u>

As part of NhRP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.