

HUMAN RIGHTS FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Human Rights Foundation
New York, NY

We have audited the accompanying financial statements of the Human Rights Foundation (a non-profit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Human Rights Foundation as of December 31, 2014 and 2013 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the financial statements as a whole.

Columbia, MD
October 28, 2015

**HUMAN RIGHTS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ 1,191,744	\$ 615,485
Due From Employee	10,000	-
Contributions and Grants Receivable	23,342	12,408
Prepaid Expenses	52,712	113,059
Property and Equipment, Net	500	2,381
Security Deposit	<u>9,520</u>	<u>9,520</u>
TOTAL ASSETS	<u><u>\$ 1,287,818</u></u>	<u><u>\$ 752,853</u></u>
 LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	<u>\$ 133,265</u>	<u>\$ 62,383</u>
TOTAL LIABILITIES	<u>133,265</u>	<u>62,383</u>
 NET ASSETS		
Unrestricted	1,154,553	678,062
Temporarily Restricted	<u>-</u>	<u>12,408</u>
TOTAL NET ASSETS	<u>1,154,553</u>	<u>690,470</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,287,818</u></u>	 <u><u>\$ 752,853</u></u>

The accompanying notes are an integral part of these financial statements.

**HUMAN RIGHTS FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)**

CHANGES IN UNRESTRICTED NET ASSETS

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2014 TOTAL</u>	<u>2013 TOTAL</u>
REVENUES, GAINS AND OTHER SUPPORT				
Individuals	\$ 526,528	\$ -	\$ 526,528	\$ 825,106
Foundations	590,669	-	590,669	75,054
Project Donations	894,236	-	894,236	990,127
Other Income	1,269,890	-	1,269,890	2,489
Release of Temporarily Restricted Assets	<u>12,408</u>	<u>(12,408)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>3,293,731</u>	<u>(12,408)</u>	<u>3,281,323</u>	<u>1,892,776</u>
EXPENSES				
Program Services	2,666,473	-	2,666,473	2,043,336
Management and General	85,906	-	85,906	78,102
Fundraising	<u>64,861</u>	<u>-</u>	<u>64,861</u>	<u>51,528</u>
TOTAL EXPENSES	<u>2,817,240</u>	<u>-</u>	<u>2,817,240</u>	<u>2,172,966</u>
INCREASE (DECREASE) IN NET ASSETS	476,491	(12,408)	464,083	(280,190)
NET ASSETS - BEGINNING	<u>678,062</u>	<u>12,408</u>	<u>690,470</u>	<u>970,660</u>
NET ASSETS - ENDING	<u>\$ 1,154,553</u>	<u>\$ -</u>	<u>\$ 1,154,553</u>	<u>\$ 690,470</u>

The accompanying notes are an integral part of these financial statements.

**HUMAN RIGHTS FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 464,083	\$ (280,190)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) In Operating Activities:		
Depreciation and Amortization	1,881	3,588
(Increase) Decrease in:		
Due From Employee	(10,000)	-
Due From Officer	-	5,350
Receivables	(10,934)	256,976
Prepaid Expenses	60,347	(32,856)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	<u>70,882</u>	<u>23,064</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>576,259</u>	<u>(24,068)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	576,259	(24,068)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>615,485</u>	<u>639,553</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,191,744</u>	<u>\$ 615,485</u>

The accompanying notes are an integral part of these financial statements.

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Human Rights Foundation operates as a voluntary, non-profit, non-stock corporation chartered under the laws of the State of New York. The Foundation's purpose is to unite people—regardless of their political, cultural, and ideological orientations—in the common cause of defending human rights and promoting liberal democracy in the Americas. Their mission is to ensure that freedom is both preserved and promoted. The Foundation is exempt from income taxes on its exempt activities under Section 501(c) (3) of the Internal Revenue Code.

The Foundation's Return of Organization Exempt from Income Tax (Form 990) for the years ended December 31, 2014, 2013 and 2012 are subject to examination, generally for three years after they were filed.

Other Income

In May 2014, the Oslo Freedom Forum was postponed due to an impending workers' strike in Norway. As a result, Human Rights Foundation was subsequently reimbursed for the costs associated with the event.

Subsequent Events:

In the normal course of preparing the Foundation's financial statements, management reviews events that occur after the statement of financial position dated December 31, 2014 for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through October 28, 2015, which is the date the financial statements were available to be issued.

Method of Accounting:

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

Financial Statement Presentation:

The net assets of the Foundation and changes therein are classified and reported as follows:

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

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that may/or will be met, either by actions of the Foundation and/or the passage of time.

The accompanying notes are an integral part of these financial statements.

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(CONTINUED)**

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment:

Property and equipment are stated at cost. Depreciation is computed using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	<u>YEARS</u>
Furniture and Fixtures	7
Computer Equipment	3-5

NOTE B – PROPERTY AND EQUIPMENT, NET

Property and equipment are summarized as follows:

	<u>2014</u>	<u>2013</u>
Furniture and Fixtures	\$ 5,786	\$ 5,786
Computer Equipment	<u>15,752</u>	<u>15,752</u>
	21,538	21,538
Less: Accumulated Depreciation	<u>21,038</u>	<u>19,157</u>
	<u>\$ 500</u>	<u>\$ 2,381</u>

Depreciation expense was \$1,881 and \$3,588 for the years ended December 31, 2014 and 2013, respectively.

**HUMAN RIGHTS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER, 31, 2014 AND 2013**

NOTE C – OPERATING LEASE

The Foundation has entered into an operating lease for office space. The lease calls for total monthly payments of \$6,538 between April 2013 and June 2014, followed by payments of \$7,160.67 until August 2016 adjusted for cost of living increases and applicable real estate taxes. The lease term is 53 months ending on August 31, 2016.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2014:

<u>Year Ending</u>	<u>Amount</u>
2015	\$ 85,928
2016	<u>57,285</u>
	<u>\$ 143,213</u>

NOTE D – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**SUPPLEMENTARY
INFORMATION**

**HUMAN RIGHTS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>SUPPORTING SERVICES</u>				
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND- RAISING</u>	<u>2014 TOTAL</u>	<u>2013 TOTAL</u>
Depreciation	\$ 941	\$ 940	\$ -	\$ 1,881	\$ 3,588
Development	-	-	19,608	19,608	12,662
Dues and Subscriptions	2,001	500	-	2,501	2,783
Employee Benefits	101,157	5,620	5,620	112,397	84,306
General Programs	1,672,133	-	-	1,672,133	1,192,078
Insurance	2,554	638	-	3,192	13,815
Leased Equipment	3,098	775	-	3,873	3,641
Licenses	-	125	-	125	-
Office Supplies	41,855	5,708	-	47,563	15,388
Payroll Taxes	55,793	3,099	3,100	61,992	47,569
Postage and Delivery	1,663	416	-	2,079	1,586
Professional Services	16,121	18,925	-	35,046	36,249
Rent and Utilities	89,521	12,207	-	101,728	94,301
Salaries	659,426	34,707	36,533	730,666	645,468
Telephone and Internet	20,210	2,246	-	22,456	19,532
	<u>\$ 2,666,473</u>	<u>\$ 85,906</u>	<u>\$ 64,861</u>	<u>\$ 2,817,240</u>	<u>\$ 2,172,966</u>

The accompanying notes are an integral part of these financial statements.