

**FUND FOR GLOBAL HUMAN RIGHTS, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015**

FUND FOR GLOBAL HUMAN RIGHTS, INC.

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ENDED JUNE 30, 2015

# FRIEDMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

401 NORTH WASHINGTON STREET, SUITE 330  
ROCKVILLE, MARYLAND 20850  
PHONE: 301-279-8900  
FAX: 240-268-6906  
www.friedcpa.com

Board of Directors  
Fund for Global Human Rights, Inc.  
1666 Connecticut Avenue, NW  
Suite 410  
Washington, D.C. 20009

## Independent Auditors' Report

Dear Board Members:

We have audited the accompanying financial statements of Fund for Global Human Rights, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and the related statements of activities and cash flows for the year 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.

### **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 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 Fund for Global Human Rights, Inc. as of June 30, 2015 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.

**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 Exhibit D 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 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 respects in relation to the financial statements as a whole.



Friedman & Associates, P.C.  
Certified Public Accountants

Rockville, MD  
December 9, 2015

FUND FOR GLOBAL HUMAN RIGHTS, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015

ASSETSCURRENT ASSETS

Cash and Cash Equivalents	\$ 7,920,876	
Investments	1,394,146	
Grants & Contributions Receivable	111,835	
Receivables - Other	69,405	
Prepaid Expenses	<u>21,399</u>	
Total Current Assets		\$ 9,517,661

FIXED ASSETS

Property & Equipment	\$ 65,232	
Less: Accumulated Depreciation	<u>( 62,548 )</u>	
Net Fixed Assets		\$ 2,684

OTHER ASSETS

Deposits	\$ 18,519	
Total Other Assets		<u>\$ 18,519</u>

<u>TOTAL ASSETS</u>		<u>\$ 9,538,864</u>
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LIABILITIES AND NET ASSETSCURRENT LIABILITIES

Accounts Payable & Accrued Expenses	\$ 73,297	
Accrued Vacation & Sick	175,948	
Payroll Liabilities Payable	<u>6,069</u>	
Total Current Liabilities		<u>\$ 255,314</u>

<u>TOTAL LIABILITIES</u>		\$ 255,314
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COMMITMENTSNET ASSETS

Unrestricted	\$ 4,310,545	
Temporarily Restricted	<u>4,973,005</u>	
Total Net Assets		<u>\$ 9,283,550</u>

<u>TOTAL LIABILITIES AND NET ASSETS</u>		<u>\$ 9,538,864</u>
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FUND FOR GLOBAL HUMAN RIGHTS, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<u>SUPPORT AND REVENUE</u>			
Grants Income	\$ 53,005	\$ 12,985,037	\$ 13,038,042
Contribution Income	307,346	52,991	360,337
Investment Income	( 84,898 )	-	( 84,898 )
Net Assets Released from Restrictions: Restrictions Satisfied by Payments	<u>12,197,500</u>	( <u>12,197,500</u> )	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>\$ 12,472,953</b>	<b>\$ 840,528</b>	<b>\$ 13,313,481</b>
<u>EXPENSES (Exhibit D)</u>			
Program	\$ 12,020,714	\$ -	\$ 12,020,714
Administration	\$ 117,493	\$ -	\$ 117,493
Fundraising	<u>456,800</u>	<u>-</u>	<u>456,800</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>12,595,007</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>12,595,007</u></b>
<u>CHANGE IN NET ASSETS</u>	<u>\$ (122,054)</u>	<u>\$ 840,528</u>	<u>\$ 718,474</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>\$ 4,432,599</u>	<u>\$ 4,132,477</u>	<u>\$ 8,565,076</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ <u>4,310,545</u></u>	<u>\$ <u>4,973,005</u></u>	<u>\$ <u>9,283,550</u></u>

FUND FOR GLOBAL HUMAN RIGHTS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATION ACTIVITIES

Increase (Decrease) in Net Assets \$ 718,474

Adjustments to Reconcile Increase in Net  
Assts to Net Cash Provided by Operating  
Activities:

Depreciation	\$	1,400
Realized (Gain)/Loss on Investments		151
Unrealized (Gain)/Loss on Investments		169,732

Changes in Assets and Liabilities:

(Increase) Decrease in Grants Receivable	(	35,335 )
(Increase) Decrease in Other Receivables	(	53,862 )
(Increase) Decrease in Prepaid Expenses	(	10,654 )
(Increase) Decrease in Other Assets	(	2,550 )
Increase (Decrease) in Accounts Payable		2,629
Increase (Decrease) in Accrued Vacation & Sick		55,787
Increase (Decrease) in Payroll Liabilities		1,746

Total Adjustments \$ 129,044

Net Cash Provided by / (Used in) Operating  
Activities \$ 847,518

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	( \$	202,791 )
Proceeds from Sale of Investments		<u>126,443</u>

Net Cash Provided by / (Used in) Investing  
Activities \$ (76,348)

NET INCREASE (DECREASE) IN CASH AND  
CASH EQUIVALENTS \$ 771,170

CASH AT BEGINNING OF YEAR \$ 7,149,706

CASH AT END OF YEAR \$ 7,920,876

INTEREST EXPENSE \$ 0

FUND FOR GLOBAL HUMAN RIGHTS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND FINANCIAL POLICIES

ORGANIZATION:

The Fund for Global Human Rights, Inc. (the Fund) is a not-for-profit organization as defined under Section 501(c)(3) of the Internal Revenue Code. The Fund was incorporated in the District of Columbia on January 8, 2002 and commenced independent operating activities on September 9, 2002. The Fund's primary purpose is to 1) strengthen the human rights movement globally through direct grant making to local, national and regional human rights organizations; 2) provide technical assistance, services, and tools for human rights workers; and 3) facilitate the exchange of ideas, strategies, and mutual support among otherwise isolated human rights groups.

BASIS OF PRESENTATION:

Financial statement presentation complies with FASB ASC 958-205. Under FASB ASC 958-205, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Fund is required to present a statement of cash flows.

CONTRIBUTIONS AND GRANTS:

The Fund receives funding from foundations and individual donors. Contributions, grants and other revenues are recognized when earned. In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted donations are recorded as temporarily restricted support and reclassified as net assets released from restrictions in the period the donor-imposed restrictions have been satisfied.

METHOD OF ACCOUNTING:

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for not-for-profit organizations. They are stated on the accrual basis and include all material receivables and payables.

FIXED ASSETS:

Property and equipment are recorded at cost. Items costing less than \$3,000 are charged to expense when acquired. Depreciation of furniture and equipment is calculated using the straight-line basis over the estimated useful lives of the related assets, generally three to five years.

STATEMENT OF CASH FLOWS

The Fund maintains money market accounts at two financial institutions. The Fund considers all highly liquid investments, including these money market accounts, with a maturity of three months or less when purchased to be cash equivalents. Account balances, at times, may exceed federally insured limits.

ACTIVITIES AND SUPPORTING SERVICES

Grants are made primarily to facilitate the support of human rights organizations in places where there is a great need and access to funding is minimal. Grants are made to qualifying organizations based on approved eligibility requirements.

General and administrative expenses include those that are not directly identifiable to any one activity or donor stipulation, but provide overall support and direction of the Fund as a whole. These include functions necessary to maintain an equitable employment program and manage financial and budgetary responsibilities of the Fund.

INCOME TAXES

The Fund is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization. However, the Fund is subject to tax on net income derived from any such unrelated business activities as provided for under the current tax law. To date, the Fund has not engaged in any such activities.



FUND FOR GLOBAL HUMAN RIGHTS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND FINANCIAL POLICIES  
(CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated between program and supporting services based on actual expenditures and time spent by management.

NOTE 2 - INVESTMENTS

The Fund's investments are comprised of mutual funds. The investments are recorded at fair value. The estimated fair value amount has been determined by the Fund using market valuation provided by the investments' brokers. Summary information about the investments at June 30, 2015 is as follows:

	<u>Cost/ Basis</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/ (Loss)</u>
Mutual Funds	\$ <u>1,563,877</u>	\$ <u>1,394,146</u>	(\$ <u>169,731</u> )
Total	\$ <u>1,563,877</u>	\$ <u>1,394,146</u>	(\$ <u>169,731</u> )

Investment income for the year ended June 30, 2015 is comprised of the following:

	<u>Interest And Dividends</u>	<u>Realized Gain/ (Loss)</u>	<u>Unrealized Gain/ (Loss)</u>	<u>Fees</u>	<u>Total</u>
Mutual Funds	\$ 76,196	(\$ 151)	(\$ 169,732)	(\$ 300)	(\$ 93,986)
Money Funds/Cash	<u>9,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,088</u>
Total	\$ <u>85,284</u>	(\$ <u>151</u> )	(\$ <u>169,732</u> )	(\$ <u>330</u> )	(\$ <u>84,898</u> )

NOTE 3 – FIXED ASSETS

Property and equipment at June 30, 2015 consisted of:

Computer and Software	\$ 45,115
Office Equipment	<u>20,117</u>
Total Fixed Assets	\$ 65,232
Less: Accumulated Depreciation (	<u>62,548</u> )
Net Fixed Assets	\$ <u>2,684</u>

NOTE 4 – RELATED PARTIES

For the year ended June 30, 2015, the Fund received grants for \$1,165,000 from the Moriah Fund, Inc. The president of the Moriah Fund, Inc. is also on the board of directors of the Fund.

FUND FOR GLOBAL HUMAN RIGHTS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 – RETIREMENT PLANS

The Fund sponsors a tax-deferred annuity retirement plan (the "plan"), established under the Internal Revenue Code Section 403(b). The Plan, which was adopted in January 2003, provides for two types of contributions. After one month of employment, employees may elect to contribute a percentage of their salary on a pre-tax basis to the Plan. After one year of employment, employees are eligible for employer contributions of up to 5% of compensation. For the year ended June 30, 2015, the Fund Made contributions of \$68,825 to the Plan.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

The Fund's temporarily restricted net assets for the year ended at June 30, 2015 are as follows:

Grant - Restricted		
Ford Foundation		\$ 1,400,000
Other – Time Restricted		
Periods after June 30, 2015		
General Support		\$ 2,007,654
Africa Project		1,199,399
South Asia		201,744
Corporate Accountability Project		5,000
Egypt Project		127,957
LGBT in Southeast Asia		<u>31,250</u>
Total Temporarily Restricted		
Net Assets		<u>\$ 4,973,005</u>

NOTE 7 – COMMITMENTS

The Fund is contingently committed to disburse certain grants awarded during the course of the year as approved by the Board of Directors. Disbursement of these grant funds are conditional requiring the recipients of grant funds to adhere to stringent reporting requirements prior to disbursement. In accordance with FASB ASC 958, the Fund does not accrue any liability associated with these grants until the grantee meets all the requirements specified in each grant award letter.

At July 1, 2014 the Fund was contingently committed to disburse \$4,263,160 relating to grants approved by the Board of Directors prior to the fiscal year 2015. Between July 1, 2014 and June 30, 2015, the Board approved additional grants totaling \$10,567,342 while the Fund disbursed \$9,765,591 during this period. At the end of fiscal year 2015, there remains \$5,064,911 in approved grants to be disbursed subject to compliance with individual grant conditions and terms.

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Fund maintains several bank accounts. Amounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Account balances, at times, may exceed federally insured limits. The Fund has not experienced any losses related to these accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

FUND FOR GLOBAL HUMAN RIGHTS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 9 - CONCENTRATIONS

For the year ended June 30, 2015, the Fund received 96% of its income from grants and contributions.

NOTE 10 – LEASE COMMITMENTS

On September 12, 2014, the Fund entered a month-to-month lease agreement for office space located in London. At June 30, 2015, the Fund was obligated under one lease agreement for office space. The minimum rental payments over the life of the leases are as follows:

Period ended February 28, 2016	<u>113,878</u>
Total	\$ <u>113,878</u>

Total rent charged to operations for the year ended June 30, 2015 was \$174,867.

NOTE 11 - SUBSEQUENT EVENTS

Subsequent events are defined as events or transactions that occur after the statement of financial position date through the date that the financial statements are available to be issued. Management has performed an evaluation as of December 9, 2015, the date the financial statements were available to be issued, that there are no subsequent events requiring disclosure.

NOTE 12 – FAIR VALUE MEASUREMENTS

The Fund adopted FASB ASC 820-10 as amended. The effective date of FASB ASC 820-10 with respect to the fair value measurement and disclosure of financial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis, is January 1, 2009. FASB ASC 820-10 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under FASB ASC 820-10 as the exchange price that would be received for an asset or paid to transfer a liability (“an exit price”) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under FASB ASC 820-10 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The Fund has time deposit financial instruments that must be measured under the new fair value standard. The Fund currently does not have notes receivable, nonfinancial assets, or nonfinancial liabilities that are required to be measured at fair value on a recurring basis. The Fund’s financial assets are measured using inputs from the Level 1 fair value hierarchy as described as follows:

Level 1:

Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

FUND FOR GLOBAL HUMAN RIGHTS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 12 – FAIR VALUE MEASUREMENTS  
(CONTINUED)

The fair values of the Fund's assets measured on a recurring basis at June 30, 2015 are as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	\$1,394,146	\$1,394,146
Total	<u>\$1,394,146</u>	<u>\$1,394,146</u>

The fair values of the Fund's investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 13 – INCOME TAXES

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes. For the year ended June 30, 2015, the Fund has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

The Organization's federal Exempt Organization Tax Returns (Form 990) for 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they are filed.

OTHER FINANCIAL INFORMATION

FUND FOR GLOBAL HUMAN RIGHTS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Salaries & Employee Benefits	\$ 1,184,114	\$ 443,970	\$ 366,801	\$ 1,994,885
Communications	16,966	17,188	2,602	36,756
Conferences & Meetings	72,504	5,342	10,580	88,426
Consultants & Professional Services	75,944	100,055	26,224	202,223
Depreciation	-	1,400	-	1,400
Grants	9,765,591	-	-	9,765,591
General Office Expense	8,756	37,266	2,782	48,804
Office Supply and Expense	23,541	12,664	1,536	37,741
Rent	-	175,905	-	175,905
Travel	192,288	30,746	20,242	243,276
Overhead Applied	681,010	( 707,043 )	26,033	-
<u>TOTAL EXPENSES</u>	<u>\$ 12,020,714</u>	<u>\$ 117,493</u>	<u>\$ 456,800</u>	<u>\$ 12,595,007</u>