

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND
HUMAN RIGHTS**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Robert F. Kennedy Center for Justice and Human Rights
Washington, DC

We have audited the accompanying financial statements of Robert F. Kennedy Center for Justice and Human Rights (the "Center"), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Robert F. Kennedy Center for Justice and Human Rights as of December 31, 2013 and 2012 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Robert F. Kennedy Center for Justice and Human Rights

Emphasis-of-Matter Regarding a Correction of an Error

As discussed in Note 14 to the financial statements, temporarily restricted contributions and related receivables were understated for the year ended December 31, 2012. Accordingly, amounts reported for contributions receivable, temporarily restricted contributions and grants, and temporarily restricted net assets have been restated in the 2012 financial statements now presented, and adjustments have been made to properly record temporarily restricted contributions and grants and related receivable as of December 31, 2012, to correct the error. Our opinion is not modified with respect to that matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
May 21, 2014

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012 (RESTATED)**

ASSETS	2013	AS RESTATED 2012
Cash and Cash Equivalents	\$ 861,927	\$ 3,454,060
Contributions Receivable, Less Allowance for Doubtful		
Accounts of \$500	3,358,667	1,583,828
Other Receivables	25,055	21,140
Prepaid Expenses	131,502	111,393
Investments	3,493,615	1,421,798
Other Assets	127,127	134,778
Fixed Assets, Net of Accumulated Depreciation and Amortization of \$118,437 and \$53,364, Respectively	497,370	113,211
Total Assets	\$ 8,495,263	\$ 6,840,208
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 612,121	\$ 423,914
Deferred Rent	84,346	74,331
Total Liabilities	696,467	498,245
NET ASSETS		
Unrestricted:		
Undesignated	3,571,523	3,092,216
Board-Designated STTP	220,030	220,030
Total Unrestricted	3,791,553	3,312,246
Temporarily Restricted	2,462,255	1,688,212
Permanently Restricted:		
Human Rights Award	521,831	521,831
Partners for Human Rights	533,466	329,983
General Programs	489,691	489,691
Total Permanently Restricted	1,544,988	1,341,505
Total Net Assets	7,798,796	6,341,963
Total Liabilities and Net Assets	\$ 8,495,263	\$ 6,840,208

See accompanying Notes to Financial Statements.

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2013 AND 2012 (RESTATED)**

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUE AND OTHER SUPPORT				
Contributions and Grants	\$ 5,914,153	\$ 2,630,325	\$ 203,483	\$ 8,747,961
Special Events	669,546	-	-	669,546
Benefits Related to Exchange Transactions	(536,350)	-	-	(536,350)
Donated Goods and Services	501,813	-	-	501,813
Bank Interest	25	-	-	25
Other Income	176,384	-	-	176,384
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	1,017,231	(1,017,231)	-	-
Satisfaction of Time Restrictions	864,443	(864,443)	-	-
Total Revenue and Other Support	<u>8,607,245</u>	<u>748,651</u>	<u>203,483</u>	<u>9,559,379</u>
EXPENSES				
Program Services:				
Partners for Human Rights	1,648,820	-	-	1,648,820
Speak Truth To Power	1,490,199	-	-	1,490,199
Special Programs	156,267	-	-	156,267
Juvenile Justice Collaborative	78,407	-	-	78,407
Compass	1,512,141	-	-	1,512,141
Communications	344,632	-	-	344,632
RFK Europe	207,422	-	-	207,422
Total Program Services	<u>5,437,888</u>	<u>-</u>	<u>-</u>	<u>5,437,888</u>
Support Services:				
Management and General	1,002,706	-	-	1,002,706
Fund-Raising	1,744,547	-	-	1,744,547
Total Support Services	<u>2,747,253</u>	<u>-</u>	<u>-</u>	<u>2,747,253</u>
Total Expenses	<u>8,185,141</u>	<u>-</u>	<u>-</u>	<u>8,185,141</u>
CHANGE IN NET ASSETS BEFORE INVESTMENT INCOME	422,104	748,651	203,483	1,374,238
INVESTMENT INCOME				
Interest and Dividends	56,531	26,911	-	83,442
Realized Losses from Sale of Investments	(2,938)	-	-	(2,938)
Unrealized (Loss) Gain on Investments	3,610	(1,519)	-	2,091
Total Investment Income	<u>57,203</u>	<u>25,392</u>	<u>-</u>	<u>82,595</u>
CHANGE IN NET ASSETS	479,307	774,043	203,483	1,456,833
Net Assets - Beginning of Year	<u>3,312,246</u>	<u>1,688,212</u>	<u>1,341,505</u>	<u>6,341,963</u>
NET ASSETS - END OF YEAR	<u>\$ 3,791,553</u>	<u>\$ 2,462,255</u>	<u>\$ 1,544,988</u>	<u>\$ 7,798,796</u>

See accompanying Notes to Financial Statements.

AS RESTATED
2012

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 5,821,849	\$ 1,651,160	\$ -	\$ 7,473,009
669,546	-	-	669,546
(578,368)	-	-	(578,368)
594,606	-	-	594,606
3,770	-	-	3,770
82,023	-	-	82,023
1,031,933	(1,031,933)	-	-
60,000	(60,000)	-	-
<u>7,685,359</u>	<u>559,227</u>	<u>-</u>	<u>8,244,586</u>
1,558,487	-	-	1,558,487
1,599,349	-	-	1,599,349
129,924	-	-	129,924
73,823	-	-	73,823
1,774,235	-	-	1,774,235
425,474	-	-	425,474
137,135	-	-	137,135
<u>5,698,427</u>	<u>-</u>	<u>-</u>	<u>5,698,427</u>
733,532	-	-	733,532
1,537,019	-	-	1,537,019
<u>2,270,551</u>	<u>-</u>	<u>-</u>	<u>2,270,551</u>
<u>7,968,978</u>	<u>-</u>	<u>-</u>	<u>7,968,978</u>
(283,619)	559,227	-	275,608
8,798	31,507	-	40,305
-	-	-	-
17,694	62,233	-	79,927
<u>26,492</u>	<u>93,740</u>	<u>-</u>	<u>120,232</u>
(257,127)	652,967	-	395,840
<u>3,569,373</u>	<u>1,035,245</u>	<u>1,341,505</u>	<u>5,946,123</u>
<u>\$ 3,312,246</u>	<u>\$ 1,688,212</u>	<u>\$ 1,341,505</u>	<u>\$ 6,341,963</u>

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	Partners for Human Rights	Speak Truth To Power	Special Programs	Juvenile Justice Collaborative	Compass
Awards, Grants and Contributions	\$ 78,494	\$ 13,142	\$ 12,050	\$ -	\$ -
Salaries	586,507	431,834	12,946	2,757	259,954
Employee Benefits and Payroll Taxes	232,750	169,889	4,760	1,346	100,822
Professional and Consultant Fees	107,980	420,836	78,956	62,904	258,932
Supplies	8,583	4,655	1,662	-	7,368
Equipment Purchases, Repairs and Maintenance	2,055	142	-	-	-
Telephone, Postage and Shipping	12,565	13,377	1,664	-	13,353
Travel	183,133	83,879	1,622	-	32,096
Conferences, Meetings and Events	171,652	104,426	25,527	195	687,045
Printing, Publications and Films	8,103	24,867	3,337	-	27,822
Occupancy and Other Related Expenses	-	1,154	-	-	-
Membership Fees and Subscriptions	10,799	850	1,250	-	162
Depreciation and Amortization	-	14,858	-	-	14,944
Bad Debt	-	-	-	-	-
Miscellaneous	3,940	27,043	7,601	10,000	1,282
Indirect Costs	242,259	179,247	4,892	1,205	108,361
Total Expenses	\$ 1,648,820	\$ 1,490,199	\$ 156,267	\$ 78,407	\$ 1,512,141

See accompanying Notes to Financial Statements.

Communi- cations	RFK Europe	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	Total
\$ -	\$ 54,853	\$ 158,539	\$ -	\$ 3,000	\$ 3,000	\$ 161,539
161,410	51,703	1,507,111	410,621	353,974	764,595	2,271,706
63,756	17,926	591,249	167,795	140,048	307,843	899,092
27,019	18,811	975,438	378,474	529,209	907,683	1,883,121
1,724	452	24,444	49,947	18,418	68,365	92,809
22	-	2,219	10,756	-	10,756	12,975
5,970	237	47,166	84,839	22,469	107,308	154,474
8,874	36,855	346,459	30,190	27,853	58,043	404,502
294	10,245	999,384	63,425	383,051	446,476	1,445,860
4,773	-	68,902	19,532	38,618	58,150	127,052
-	-	1,154	438,895	5,290	444,185	445,339
112	-	13,173	5,183	6,488	11,671	24,844
-	-	29,802	23,820	11,450	35,270	65,072
-	-	-	-	41,850	41,850	41,850
5,546	555	55,967	79,399	19,540	98,939	154,906
65,132	15,785	616,881	(760,170)	143,289	(616,881)	-
<u>\$ 344,632</u>	<u>\$ 207,422</u>	<u>\$ 5,437,888</u>	<u>\$ 1,002,706</u>	<u>\$ 1,744,547</u>	<u>\$ 2,747,253</u>	<u>\$ 8,185,141</u>

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	Partners for Human Rights	Speak Truth To Power	Special Programs	Juvenile Justice Collaborative	Compass Conference
Awards, Grants and Contributions	\$ 51,661	\$ 202,960	\$ 10,499	\$ -	\$ 50,000
Salaries	512,812	351,017	2,690	1,663	188,250
Employee Benefits and Payroll Taxes	187,314	128,499	925	635	67,952
Professional and Consultant Fees	139,582	359,003	33,332	60,150	462,836
Supplies	17,786	11,558	16,123	-	12,876
Equipment Purchases, Repairs and Maintenance	1,402	590	-	-	-
Telephone, Postage and Shipping	19,800	10,660	4,522	-	20,712
Travel	140,427	85,950	1,730	-	36,069
Conferences, Meetings and Events	139,392	132,323	35,873	117	783,085
Printing, Publications and Films	7,515	60,306	3,724	-	27,935
Occupancy and Other Related Expenses	7,475	2,204	-	-	-
Membership Fees and Subscriptions	18,680	966	3,750	200	2,531
Depreciation and Amortization	-	-	-	-	-
Bad Debt	-	-	-	-	-
Miscellaneous	19,369	38,782	15,109	10,020	6,190
Indirect Costs	295,272	214,531	1,647	1,038	115,799
Total Expenses	\$ 1,558,487	\$ 1,599,349	\$ 129,924	\$ 73,823	\$ 1,774,235

See accompanying Notes to Financial Statements.

<u>Communi- cations</u>	<u>RFK Europe</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total Supporting Services</u>	<u>Total</u>
\$ -	\$ -	\$ 315,120	\$ 500	\$ 45,000	\$ 45,500	\$ 360,620
151,558	47,598	1,255,588	322,705	253,866	576,571	1,832,159
54,590	16,654	456,569	122,704	96,090	218,794	675,363
96,675	27,154	1,178,732	409,665	428,704	838,369	2,017,101
1,228	-	59,571	74,977	17,297	92,274	151,845
-	-	1,992	24,472	7,288	31,760	33,752
13,364	857	69,915	98,783	17,374	116,157	186,072
8,118	16,491	288,785	37,973	31,561	69,534	358,319
543	290	1,091,623	56,793	383,276	440,069	1,531,692
70	-	99,550	7,612	28,042	35,654	135,204
-	-	9,679	386,755	5,159	391,914	401,593
1,166	3	27,296	6,972	9,987	16,959	44,255
-	-	-	18,392	7,203	25,595	25,595
-	-	-	-	18,000	18,000	18,000
6,781	708	96,959	61,436	39,013	100,449	197,408
91,381	27,380	747,048	(896,207)	149,159	(747,048)	-
<u>\$ 425,474</u>	<u>\$ 137,135</u>	<u>\$ 5,698,427</u>	<u>\$ 733,532</u>	<u>\$ 1,537,019</u>	<u>\$ 2,270,551</u>	<u>\$ 7,968,978</u>

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 AND 2012 (RESTATED)**

	2013	AS RESTATED 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,456,833	\$ 395,840
Adjustments to Reconcile Changes in Net Assets to Net Cash (Used in) Provided by Operating Activities:		
Depreciation and Amortization	65,072	25,595
Donated Equity Securities	(17,338)	(5,305)
Realized Losses from Sale of Investments	2,938	-
Unrealized Gain on Investments	(2,091)	(79,927)
Contributions Restricted for Long-Term Purposes	(203,483)	-
Changes in Assets and Liabilities:		
Contributions Receivable	(1,774,839)	34,553
Other Receivables	(3,915)	(19,497)
Prepaid Expenses	(20,109)	(58,125)
Other Assets	7,651	(18,723)
Accounts Payable and Accrued Expenses	188,207	(93,581)
Deferred Revenue	-	(375)
Deferred Rent	10,015	58,564
Net Cash (Used in) Provided by Operating Activities	(291,059)	239,019
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(449,231)	(71,892)
Purchases of Investments	(2,257,441)	(40,251)
Proceeds from Sale of Investments	202,115	-
Net Cash Used in Investing Activities	(2,504,557)	(112,143)
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment in Permanent Endowment	203,483	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,592,133)	126,876
Cash and Cash Equivalents - Beginning of Year	3,454,060	3,327,184
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 861,927	\$ 3,454,060

See accompanying Notes to Financial Statements.

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012 (RESTATED)

NOTE 1 ORGANIZATION

Robert F. Kennedy (RFK) boldly faced tough problems and challenged the comfortable and complacent. He believed that individual action could overcome injustice and oppression. He awakened unknown strengths and inspired a generation to change the world. Established in 1968 by friends and family of Robert Kennedy, the Robert F. Kennedy Center for Justice and Human Rights (the "Center") is a nonprofit charitable organization that for four decades has furthered the vision and spirit of Robert Kennedy by advancing respect for human rights and social justice for all people and promoting the idea that individual action can make a difference through commitment to civic and community affairs. One of the foremost international human rights organizations, the Center's core programs focus on the power of individuals working through alliances and partnerships to generate change.

The Center works toward achieving its mission through the following program areas:

Robert F. Kennedy Partners for Human Rights

The Robert F. Kennedy Partners for Human Rights (PHR) engages in long-term partnerships with its Human Rights Award Recipients (Laureates) to initiate and support sustainable social justice goals. RFK PHR leverages professional human rights staff, the Center Board, Kennedy family, and their networks to advocate for the change the Center's partner activists seek; these include changing policies and actions of governments, intergovernmental organizations, international financial institutions (IFIs), UN entities and corporations. RFK PHR uses cutting edge methods and innovative tools including litigation, advocacy, education, data collection and documenting and reporting abuses, and launching awareness and education campaigns aimed at fostering corporate responsibility to achieve social justice goals. The unique partnership model represents an effective, sustainable method for supporting human rights.

Speak Truth To Power

Speak Truth To Power (STTP) is a multi-faceted program that increases awareness of human rights through inspiring stories of women and men around the world who stand up to oppression at great personal risk in the pursuit of human rights. The project includes a book by Kerry Kennedy "Speak Truth to Power: Human Rights Defenders Who Are Changing Our World" that is published in several languages, an exhibition of 50 photographs by Pulitzer Prize-winning photographer Eddie Adams, a theatrical performance of "Speak Truth to Power: Voices from Beyond the Dark" that continues to tour worldwide, a website, educational outreach programs and the continued distribution of human rights educational materials which have gone to over 100,000 students. STTP seeks educational partners such as Teachers' organizations and unions, foundations and education officials, such as the joint project with the New York State Unified Teachers, to bring the curriculum to more classrooms. It is continually expanding its reach in the US and abroad. Recent and planned expansions include Canada, Los Angeles, Chicago, Ohio, Virginia, Sweden, Cambodia, Greece, Spain, France and Switzerland. A new model, training law students to teach STTP in lower schools was launched in partnership with Washington College of Law. Curricula are added and updated to address contemporary social issues such as bullying, offering ideas resources to implement change. The Center is launching a new Bullying Prevention initiative as part of the STTP education project.

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012 (RESTATED)**

NOTE 1 ORGANIZATION (CONTINUED)

Special Programs:

Robert F. Kennedy Human Rights Award

The Robert F. Kennedy Human Rights Award is presented annually to individuals who, at great personal risk, stand up to oppression in the nonviolent pursuit of respect for human rights. The award reflects Robert Kennedy's absolute opposition to tyranny and his belief in the power of individual moral courage to overcome injustice. The Award, established in 1984, seeks to draw the world's attention to the work of one or more courageous individuals -- the RFK Human Rights Award laureates -- who make great personal sacrifices, often risking their lives, to promote respect for the human rights and realize positive change. The Award initiates a multi-year partnership with the Laureates, working together to address human rights abuses.

The Robert F. Kennedy Book Award

The Robert F. Kennedy Book Award, established in 1980, is presented each year to the author of a book that, in the words of its founder, Arthur Schlesinger, "most faithfully and forcefully reflects Robert Kennedy's purposes -- his concern for the poor and the powerless, his struggle for honest and even-handed justice, his conviction that a decent society must assure all young people a fair chance, and his faith that a free democracy can act to remedy disparities of power and opportunity." The RFK Book Award has received national recognition as one of the most prestigious honors that an author can achieve.

The Robert F. Kennedy Journalism Awards

The Robert F. Kennedy Journalism Awards were founded in December 1968 by a group of reporters who covered Robert Kennedy's presidential campaign. Prizes are awarded annually for television, print, radio, cartoon, student and international coverage and new media. Known among the press as the "poor people's Pulitzers," winners have covered issues such as child abuse, juvenile crime, bank redlining and discrimination against people living with AIDS as just a few examples. The RFK Journalism Award is one of the few journalism awards in which the winners are judged solely by their peers, and is the largest single program that honors the outstanding reporting on social justice issues and societal challenges.

The RFK Student Journalism Awards recognize college and high school students for excellent coverage of human rights and social justice issues in both print and broadcast journalism. In partnership with Channel One Network, and through a new partnership with the National Scholastic Press Association, the program disseminates information on the challenge of reporting on the disadvantaged to thousands of students and, each year, honors two first place entries. Student winners are brought to Washington, DC for the Awards Ceremony and meet professional journalists in their field of interest.

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012 (RESTATED)**

NOTE 1 ORGANIZATION (CONTINUED)

The Juvenile Justice Collaborative

Partnering with the RFK Children's Action Corps in Boston, the Collaborative combines the advocacy power of the RFK Center with the direct service experience and best practices of the Action Corps to increase national attention on juvenile justice issues, specifically focusing on the needs of youth re-entering their communities after periods of confinement, incarceration or out-of-home placement. The Collaborative brings the voice of the impacted youth to advocacy and educates decision makers about the importance of effective policies and resources to support the re-entering youth. Availability of education, job training and housing all play key roles in the success of youth trying to transition to independence and should be part of any comprehensive plan addressing juvenile justice issues.

RFK Compass

In 2010, the RFK Center convened the first annual Compass Conference as part of the Compass Program. The RFK Compass Program of the Robert F. Kennedy Center for Justice and Human Rights uses the tools of capitalism and public policy to address the world's current challenges. Convening thought leaders and using advocacy, education and outreach, the program works with institutional investors to advance the connections among investment performance, fiduciary duty and public interest issues.

This program challenges traditional notions and considers new approaches. Senior-level decision-makers from the investment, policy and academic communities convene at the conferences and programs held around the world. Together, they address such issues as: How the role of the fiduciary should be interpreted and expanded to meet the challenges of the 21st century, how fiduciaries can best incorporate information about sustainability in investment decisions and what investment risks might be avoided, and what investment opportunities might be captured by investing sustainably.

With globalization, corporate behavior in the areas of human rights, the environment, labor and governance is increasingly relevant. As asset owners and shareholders, fiduciaries are in a unique position to influence social, environmental and human rights practices. In the course of its normal business, the investment community can play a vital role -- like governments, advocates, corporations, defenders and activists -- in lifting human rights across communities, improving societal outcomes around the world and supporting a stable, growing global economy. In addition to producing four annual regional conferences, 2013 Compass launched its Compass Education component, in partnership with renowned education institutions, to bring continuing education on Environmental, Social and Governance and other related issues to the fiduciary and investment communities.

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012 (RESTATED)**

NOTE 1 ORGANIZATION (CONTINUED)

Communications

Through the Center's email news, website, social media, videos and published reports, the Center works to raise the visibility of the RFK Center and its programs; to expand the public discourse on issues that concerned RFK and that comprise the Center's universe of work; and seeks to legitimize contemporary struggles for justice by placing them in a historic context that reminds people of the possibilities of progressive social change. The Communications Department produces organizational literature such as brochures, reports, information kits, etc. for the Center in general, and for specific programs in particular that can be used for outreach to new and existing constituencies, development purposes, and media outreach and education. The Center issues regular electronic bulletins and messages to keep donors, lawmakers, advocates and activists and media informed of the Center's work and updated on the issues the Center covers. The Center worked with Guggenheim films to offer on-line, copies of the remastered documentary "RFK Remembered" on DVD and is exploring educational outreach efforts. Other videos include Speak Truth to Power films and shorter pieces depicting the Center's overall work and interviews with human rights defenders, all available for public viewing to increase awareness and inspire change. The Communications Department publishes op-eds, articles, blogs and press releases about the work of the Center and related issues.

RFK Europe

The Center also works with RFK Europe, located in Italy, advising on its human rights initiatives. Bringing STTP to Italian and other European classrooms and collaborating on advocacy and curriculum projects, RFK PHR will be working closely with RFK Europe on a new initiative - the RFK Training Institute - a center of training and learning for human rights activists, professionals and students.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Center are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

Income Tax

The Center is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code as a Section 501(a) organization. The Internal Revenue Service has determined that the Center is a publicly supported organization. However, should the Center have income from activities not directly related to its tax-exempt purpose, such income would be subject to taxation as unrelated business income. The Center did not have any unrelated business income for the years ended December 31, 2013 and 2012.

The Center's tax returns are subject to review and examination by federal, state and local authorities. The tax returns for the years 2012 to 2010 are open to examination by federal, state and local authorities.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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 may differ from those estimates.

Cash and Cash Equivalents

For financial statement purposes, the Center considers cash and cash equivalents to include cash in banks and money market accounts. However, cash and money market funds held in its investment accounts are not considered to be cash and cash equivalents.

Grants and Contributions Receivable

Receivables are stated at net realizable value. Accounts are individually analyzed for collectibility and an allowance is recorded for specific receivable when there is a doubt in collectibility of the receivable. Receivables are written off when all collection efforts are exhausted.

Fixed Assets

Furniture and equipment are recorded at cost and depreciated over estimated useful lives of three to ten years using the straight-line depreciation method. Leasehold improvements are amortized over the lesser of the remaining life of the lease or the estimated useful lives of the improvements. Internally developed software and course curriculum are recorded at cost and amortized over the estimated useful lives of five and three years, respectively. All acquisitions greater than or equal to \$1,000 with an expected life greater than one year are capitalized.

Net Assets

The Center classifies net assets into three categories: unrestricted, temporarily restricted, or permanently restricted. All contributions are considered to be available for unrestricted use unless *specifically* restricted by the donor. The purposes of the net assets are as follows:

Unrestricted:

Operations - Represents net assets available for general operations.

Board Designated – Represents net assets designated by the Board for the Speak Truth To Power Program.

Temporarily Restricted:

Represents contributions received from donors with purpose and/or time restrictions on their use. Temporarily restricted net assets become unrestricted when the time restrictions expire or the funds are used for their restricted purpose and are reported in the statement of activities as “net assets released from restrictions.”

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Permanently Restricted:

Represents contributions to be held in perpetuity. The investment earnings on the permanently restricted net assets are reflected in the statements of activities as components of temporarily restricted net assets and released from restrictions as funds are expended for the restricted purposes.

Revenue Recognition

The Center records contributions as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions and grants are recognized as support in accordance with their terms. Recognition of a pledge occurs on the date the pledge is made or committed. Donated goods are reflected as contributions at their estimated fair value on the date of receipt and are also recorded as a component of benefits related to exchange transactions in the accompanying financial statements.

Allocation of Expenses

The Center's expenses 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 based on personnel efforts.

Uniform Prudent Management of Institutional Funds Act

Under the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA), all unappropriated endowment fund assets are considered restricted.

NOTE 3 FINANCIAL RISKS

Financial instruments, which subject the Center to a concentration of credit risk, consist of demand deposits placed with financial institutions. At times during the year, the Center had funds invested with local financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk of loss in these situations to be minimal.

The Center invests funds in a portfolio that contains individual equities and mutual funds. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term could materially affect investment balances and the amounts reported in the financial statements.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 4 CONTRIBUTIONS RECEIVABLE

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. This value is determined to be fair value and is calculated using an income approach of applying a discount rate technique in the year in which the pledge is received. Conditional promises are not included as revenue until such times as the conditions are substantially met.

As of December 31, 2013 and 2012, there are \$3,083,623 and \$1,280,460, respectively, in unconditional promises to give that are expected to be collected in less than one year. As of December 31, 2013 and 2012, there are \$275,044 and \$303,368, respectively, in unconditional promises to give that are expected to be collected between one and five years.

NOTE 5 INVESTMENTS

Investments are recorded at fair value and are composed of the following as of December 31, 2013 and 2012:

	2013	2012
Common Stock	\$ 6,151	\$ 5,678
Mutual Funds - Equity	751,612	259,970
Mutual Funds - Fixed Income	2,147,816	1,156,150
Corporate Bonds	559,328	-
Cash	28,708	-
Total Investments	\$ 3,493,615	\$ 1,421,798

NOTE 6 FAIR VALUE MEASUREMENTS

The Center uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Center has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Center has the ability to access.

Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

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NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Center's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2012:

	2013			Total
	Level 1	Level 2	Level 3	
Investments:				
Common Stock	\$ 6,151	\$ -	\$ -	\$ 6,151
Mutual Funds - Equity	751,612	-	-	751,612
Mutual Funds - Fixed Income	2,147,816	-	-	2,147,816
Corporate Bonds	559,328	-	-	559,328
Total	<u>\$ 3,464,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,464,907</u>
	2012			Total
	Level 1	Level 2	Level 3	
Investments:				
Common Stock	\$ 5,678	\$ -	\$ -	\$ 5,678
Mutual Funds - Equity	259,970	-	-	259,970
Mutual Funds - Fixed Income	1,156,150	-	-	1,156,150
Total	<u>\$ 1,421,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,421,798</u>

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2013	AS RESTATED 2012
	<u>2013</u>	<u>2012</u>
Purpose Restricted:		
Partners for Human Rights	\$ 7,000	\$ 7,000
Endowment Fund	68,261	97,529
Juvenile Justice Collaboration	1,794	-
Speak Truth to Power	1,439,869	408,108
Total Purpose Restricted	<u>1,516,924</u>	<u>512,637</u>
Time Restricted:		
Leadership Council	353,187	191,625
Compass	592,144	983,950
Total Time Restricted	<u>945,331</u>	<u>1,175,575</u>
Total	<u>\$ 2,462,255</u>	<u>\$ 1,688,212</u>

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NOTE 8 ENDOWMENTS

The Center has donor-restricted endowment funds established for the purposes of providing income to support specific programs and general operations. As required by U.S. GAAP, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors of the Center has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. The Center considered all amounts earned on the endowment fund to be appropriated for current use.

The Center's endowment investment policy is focused on preservation of capital and all amounts are invested in mutual funds.

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Center and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policy of the Center

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy approved by the Board of Directors the endowment assets are invested in a manner with long term orientation and without undue exposure to risk. The Center's objective is that total investment returns shall exceed the US Consumer Price Index by four percent (4%) and that average rates of investment returns shall approximate seven to nine percent (7% - 9%) annually. Actual experience in any given year may vary from this amount.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 8 ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

Spending rate policy will be four percent (4%). Over the long term, the Center expects to allow its endowment to grow annually, consistent with the Center's objectives to maintain the purchasing power of the endowment assets held in-perpetuity and to provide additional real growth through new contributions and investment returns.

Strategies Employed for Achieving Objectives

To satisfy its long term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yields (interest and dividends) utilizing a strategy of fixed income, equities and cash equivalents in a mix conducive to participation in rising markets and allowing for protection in falling markets within prudent risk constraints. In addition, the Center utilizes the services of experienced investment managers to achieve its objectives.

The endowment net assets and activity for 2013 and 2012 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Fund as of December 31, 2011	\$ -	\$ 57,449	\$1,341,505	\$ 1,398,954
Contributions	-	-	-	-
Earnings:				
Interest and Dividends	-	31,507	-	31,507
Unrealized Gain	-	62,233	-	62,233
	-	93,740	-	93,740
Appropriations	-	(53,660)	-	(53,660)
Endowment Fund as of December 31, 2012	-	97,529	1,341,505	1,439,034
Contributions	-	-	203,483	203,483
Earnings:				
Interest and Dividends	-	26,911	-	26,911
Unrealized Gain	-	(1,519)	-	(1,519)
	-	25,392	-	25,392
Appropriations	-	(54,660)	-	(54,660)
Endowment Fund as of December 31, 2013	<u>\$ -</u>	<u>\$ 68,261</u>	<u>\$1,544,988</u>	<u>\$ 1,613,249</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets. There were no such deficiencies at December 31, 2013 and 2012.

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NOTE 9 IN-KIND DONATIONS

The Center receives various in-kind donations, which the Center would have to purchase if not donated and, therefore, they are recorded as revenue and expenses in the accompanying financial statements. Total amounts received for the years ended December 31, 2013 and 2012 were \$501,813 and \$594,606, respectively. The in-kind donations benefited the following activities for the years ended December 31, 2013 and 2012.

	2013	2012
Program Services	\$ 9,000	\$ 3,000
Management and General	75,583	115,020
Fund-Raising	417,230	476,586
Total	\$ 501,813	\$ 594,606

NOTE 10 PENSION PLAN

The Center has a defined contribution pension plan which covers all of its full-time employees. Contributions are made by the Center in an amount equal to seven percent of the annual salary expense for each participating employee and are vested over a five-year period. Total pension expense incurred for the years ended December 31, 2013 and 2012 was \$95,184 and \$66,814, respectively.

NOTE 11 LEASE COMMITMENTS

The Center entered into a five-year noncancelable operating lease for office space in New York City which will expire on August 1, 2016. As part of the office lease agreement, the Center received one month's free rent. The rent abatement, as well as any stated rent increases within the lease agreement, is being amortized on a straight-line basis over the life of the lease and records the difference between the amount recognized as rent expense and rent paid as deferred rent, a liability reported on the statements of financial position.

In 2012, the Center executed a noncancelable operating lease for a new office space in Washington, DC which will expire on April 30, 2019. As part of the office lease agreement, the Center received fifty percent off on the first five full months of rent. The rent abatement, as well as any stated rent increases within the lease agreement, is being amortized on a straight-line basis over the life of the lease and records the difference between the amount recognized as rent expense and rent paid as deferred rent, a liability reported on the statements of financial position.

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NOTE 11 LEASE COMMITMENTS (CONTINUED)

Total rent expense for the years ended December 31, 2013 and 2012 was \$393,407 and \$350,947, respectively. Aggregate minimum annual rental payments are as follows:

Year Ending December 31,	
2014	\$ 372,638
2015	390,296
2016	338,600
2017	261,595
2018	268,153
2019	90,119
Total	\$ 1,721,401

NOTE 12 RELATED PARTY TRANSACTIONS

A Board member is also an employee of the Center, working principally on the Speak Truth To Power, Fundraising and Development and Compass programs. The Center paid compensation of \$250,539 and \$236,768 to this employee for the years ended December 31, 2013 and 2012, respectively.

NOTE 13 COMMITMENTS

The Center has entered into agreements with various hotels for meeting facilities, catering, and accommodations for conferences through 2015. Many of the agreements contain a clause whereby the Center is liable for liquidated damages in the event of cancellation. At December 31, 2013, the maximum possible amounts of liquidated damages totaled approximately \$109,000.

NOTE 14 RESTATEMENT

It was determined that a pledge commitment made in 2012 was not properly recorded in the 2012 financial statements. Therefore, the 2012 financial statements have been restated to increase contributions receivable, temporarily restricted contributions and temporarily restricted net asset by \$213,950 as noted below.

	Balance Prior to Restatement	Adjustment	Balance as Restated
Contributions Receivable	\$ 1,369,878	\$ 213,950	\$ 1,583,828
Temporarily Restricted Contributions	\$ 1,437,210	\$ 213,950	\$ 1,651,160
Temporarily Restricted Net Assets	\$ 1,474,262	\$ 213,950	\$ 1,688,212

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
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NOTE 15 SUBSEQUENT EVENTS

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through May 21, 2014, the date the financial statements were available to be issued.