

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
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YEARS ENDED DECEMBER 31, 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Robert F. Kennedy Center for Justice and Human Rights, DBA: Robert F. Kennedy Human Rights (the "Organization"), which comprise the statements of financial position as of December 31, 2016 and 2015, 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 audit 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2016 and 2015, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Arlington, Virginia
May 18, 2017

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
Cash and Cash Equivalents	\$ 7,099,241	\$ 4,733,666
Contributions Receivable, Less Allowance for Doubtful Accounts of \$500	1,971,170	1,467,808
Other Receivables	5,243	2,028
Prepaid Expenses	141,753	102,077
Investments	3,820,203	3,675,617
Other Assets	61,376	124,431
Fixed Assets, Net of Accumulated Depreciation and Amortization of \$914,296 and \$617,977, Respectively	394,372	556,362
Total Assets	\$ 13,493,358	\$ 10,661,989
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 326,216	\$ 654,057
Deferred Revenue	825	1,425
Deferred Rent	168,854	66,576
Total Liabilities	495,895	722,058
NET ASSETS		
Unrestricted:		
Undesignated	7,971,356	6,838,880
Board-Designated STTP	220,030	220,030
Total Unrestricted	8,191,386	7,058,910
Temporarily Restricted	3,244,880	1,333,189
Permanently Restricted:		
Human Rights Award	521,831	521,831
Partners for Human Rights	549,675	536,310
General Programs	489,691	489,691
Total Permanently Restricted	1,561,197	1,547,832
Total Net Assets	12,997,463	9,939,931
Total Liabilities and Net Assets	\$ 13,493,358	\$ 10,661,989

See accompanying Notes to Financial Statements.

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUE AND OTHER SUPPORT				
Contributions and Grants	\$ 7,066,179	\$ 2,917,745	\$ 13,365	\$ 9,997,289
Special Events	798,097	-	-	798,097
Benefits Related to Exchange Transactions	(1,030,978)	-	-	(1,030,978)
Donated Goods and Services	633,951	-	-	633,951
Other Income (Loss)	26,841	-	-	26,841
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	939,542	(939,542)	-	-
Satisfaction of Time Restrictions	133,940	(133,940)	-	-
Total Revenue and Other Support	<u>8,567,572</u>	<u>1,844,263</u>	<u>13,365</u>	<u>10,425,200</u>
EXPENSES				
Program Services:				
Partners for Human Rights	1,422,237	-	-	1,422,237
Speak Truth To Power	946,697	-	-	946,697
Book and Journalism Awards	134,780	-	-	134,780
Juvenile Justice Collaborative	83,584	-	-	83,584
RFK Young Leaders	108,078	-	-	108,078
Compass	908,943	-	-	908,943
Communications	312,583	-	-	312,583
RFK Europe	225,496	-	-	225,496
RFK Legacy	446,337	-	-	446,337
Total Program Services	<u>4,588,735</u>	<u>-</u>	<u>-</u>	<u>4,588,735</u>
Support Services:				
Management and General	1,580,840	-	-	1,580,840
Fund-Raising	1,365,741	-	-	1,365,741
Total Support Services	<u>2,946,581</u>	<u>-</u>	<u>-</u>	<u>2,946,581</u>
Total Expenses	<u>7,535,316</u>	<u>-</u>	<u>-</u>	<u>7,535,316</u>
CHANGE IN NET ASSETS BEFORE INVESTMENT INCOME (LOSS)	1,032,256	1,844,263	13,365	2,889,884
INVESTMENT INCOME (LOSS)				
Interest and Dividends	57,254	38,520	-	95,774
Realized (Loss) Gain from Sale of Investments, Net of Fees	(409)	(276)	-	(685)
Unrealized Gain (Loss) on Investments	43,375	29,184	-	72,559
Total Investment Income (Loss)	<u>100,220</u>	<u>67,428</u>	<u>-</u>	<u>167,648</u>
CHANGE IN NET ASSETS	1,132,476	1,911,691	13,365	3,057,532
Net Assets - Beginning of Year	<u>7,058,910</u>	<u>1,333,189</u>	<u>1,547,832</u>	<u>9,939,931</u>
NET ASSETS - END OF YEAR	<u>\$ 8,191,386</u>	<u>\$ 3,244,880</u>	<u>\$ 1,561,197</u>	<u>\$ 12,997,463</u>

See accompanying Notes to Financial Statements.

2015

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 11,176,906	\$ 1,086,882	\$ 1,886	\$ 12,265,674
712,643	-	-	712,643
(915,291)	-	-	(915,291)
853,969	-	-	853,969
(121)	-	-	(121)
1,021,712	(1,021,712)	-	-
590,838	(590,838)	-	-
<u>13,440,656</u>	<u>(525,668)</u>	<u>1,886</u>	<u>12,916,874</u>
1,940,508	-	-	1,940,508
1,265,071	-	-	1,265,071
156,141	-	-	156,141
117,732	-	-	117,732
93,564	-	-	93,564
1,174,272	-	-	1,174,272
345,109	-	-	345,109
826,047	-	-	826,047
235,314	-	-	235,314
<u>6,153,758</u>	<u>-</u>	<u>-</u>	<u>6,153,758</u>
1,269,375	-	-	1,269,375
1,512,002	-	-	1,512,002
<u>2,781,377</u>	<u>-</u>	<u>-</u>	<u>2,781,377</u>
<u>8,935,135</u>	<u>-</u>	<u>-</u>	<u>8,935,135</u>
4,505,521	(525,668)	1,886	3,981,739
78,012	49,477	-	127,489
16,176	(18,709)	-	(2,533)
(78,603)	(49,853)	-	(128,456)
<u>15,585</u>	<u>(19,085)</u>	<u>-</u>	<u>(3,500)</u>
4,521,106	(544,753)	1,886	3,978,239
<u>2,537,804</u>	<u>1,877,942</u>	<u>1,545,946</u>	<u>5,961,692</u>
<u>\$ 7,058,910</u>	<u>\$ 1,333,189</u>	<u>\$ 1,547,832</u>	<u>\$ 9,939,931</u>

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016**

	Partners for Human Rights	Speak Truth To Power	Book and Journalism Awards	Juvenile Justice Collaborative	RFK Young Leaders
Awards, Grants and Contributions	\$ 40,550	\$ 175	\$ 14,000	\$ -	\$ -
Salaries	477,048	310,607	5,519	4,628	53,479
Employee Benefits and Payroll Taxes	168,940	101,820	2,184	1,518	18,184
Professional and Consultant Fees	357,494	198,020	65,570	75,075	9,001
Supplies	1,263	488	1,246	-	-
Equipment Purchases, Repairs and Maintenance	-	-	-	-	-
Telephone, Postage and Shipping	3,241	4,809	697	-	360
Travel	31,229	87,969	-	-	2,205
Conferences, Meetings and Events	74,359	62,470	29,909	90	2,238
Printing, Publications and Films	7,764	10,913	2,545	-	-
Occupancy and Other Related Expenses	-	2,737	-	-	-
Membership Fees and Subscriptions	9,857	61	2,750	300	-
Depreciation and Amortization	-	29,785	-	-	-
Bad Debt	-	-	-	-	-
Miscellaneous	48,216	10,432	8,631	-	48
Indirect Costs	202,276	126,411	1,729	1,973	22,563
	<u>\$ 1,422,237</u>	<u>\$ 946,697</u>	<u>\$ 134,780</u>	<u>\$ 83,584</u>	<u>\$ 108,078</u>
Total Expenses	<u>\$ 1,422,237</u>	<u>\$ 946,697</u>	<u>\$ 134,780</u>	<u>\$ 83,584</u>	<u>\$ 108,078</u>

See accompanying Notes to Financial Statements.

Compass	Communi- cations	RFK Europe	RFK Legacy	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	Total
\$ -	\$ -	\$ 180,690	\$ -	\$ 235,415	\$ 276	\$ -	\$ 276	\$ 235,691
166,453	108,122	14,615	117,388	1,257,859	657,182	332,283	989,465	2,247,324
55,204	40,107	6,518	39,073	433,548	210,775	112,054	322,829	756,377
139,939	23,480	12,000	66,359	946,938	312,324	625,852	938,176	1,885,114
698	167	-	504	4,366	126,304	6,054	132,358	136,724
-	-	-	-	-	12,300	2,550	14,850	14,850
2,745	2,630	1,233	1,648	17,363	62,775	13,778	76,553	93,916
10,190	2,236	2,722	8,366	144,917	99,811	26,333	126,144	271,061
267,405	23	-	155,228	591,722	15,115	27,254	42,369	634,091
1,409	145	-	-	22,776	15,855	19,066	34,921	57,697
-	-	-	-	2,737	541,666	1,200	542,866	545,603
2,732	20,861	326	126	37,013	27,092	10,363	37,455	74,468
166,807	71,670	-	-	268,262	37,982	15,162	53,144	321,406
-	-	-	-	-	-	5,500	5,500	5,500
24,739	596	-	7,564	100,226	124,004	31,264	155,268	255,494
70,622	42,546	7,392	50,081	525,593	(662,621)	137,028	(525,593)	-
<u>\$ 908,943</u>	<u>\$ 312,583</u>	<u>\$ 225,496</u>	<u>\$ 446,337</u>	<u>\$ 4,588,735</u>	<u>\$ 1,580,840</u>	<u>\$ 1,365,741</u>	<u>\$ 2,946,581</u>	<u>\$ 7,535,316</u>

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
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STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015**

	Partners for Human Rights	Speak Truth To Power	Book and Journalism Awards	Juvenile Justice Collaborative	RFK Young Leaders
Awards, Grants and Contributions	\$ 35,500	\$ 2,400	\$ 14,000	\$ 20,000	\$ 3,345
Salaries	699,546	282,207	8,250	2,175	41,289
Employee Benefits and Payroll Taxes	297,927	120,566	3,906	1,192	17,724
Professional and Consultant Fees	244,678	611,702	71,451	93,072	1,610
Supplies	3,732	1,824	7,733	-	164
Equipment Purchases, Repairs and Maintenance	-	-	-	-	-
Telephone, Postage and Shipping	10,870	6,415	1,070	24	125
Travel	105,327	28,670	295	46	5,127
Conferences, Meetings and Events	157,292	34,217	30,817	-	4,329
Printing, Publications and Films	5,253	7,522	3,285	-	35
Occupancy and Other Related Expenses	-	3,874	-	-	-
Membership Fees and Subscriptions	21,471	1,432	4,478	-	40
Depreciation and Amortization	-	29,785	-	-	-
Bad Debt	-	-	-	-	-
Miscellaneous	46,785	5,744	5,637	-	1,215
Indirect Costs	312,127	128,713	5,219	1,223	18,561
	<u>312,127</u>	<u>128,713</u>	<u>5,219</u>	<u>1,223</u>	<u>18,561</u>
Total Expenses	<u>\$ 1,940,508</u>	<u>\$ 1,265,071</u>	<u>\$ 156,141</u>	<u>\$ 117,732</u>	<u>\$ 93,564</u>

See accompanying Notes to Financial Statements.

Compass	Communi- cations	RFK Europe	RFK Legacy	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	Total
\$ -	\$ -	\$ 417,765	\$ -	\$ 493,010	\$ 750	\$ 3,922	\$ 4,672	\$ 497,682
228,161	147,205	193,259	68,073	1,670,165	421,565	300,415	721,980	2,392,145
100,587	66,066	79,885	28,798	716,651	180,047	133,892	313,939	1,030,590
99,747	23,125	7,642	97,785	1,250,812	599,124	762,533	1,361,657	2,612,469
5,704	102	277	1,159	20,695	29,954	13,969	43,923	64,618
151	-	-	-	151	14,809	-	14,809	14,960
1,941	1,144	4,461	1,656	27,706	74,103	10,371	84,474	112,180
27,981	2,533	47,233	4,565	221,777	124,509	24,189	148,698	370,475
296,745	577	616	1,721	526,314	21,234	29,486	50,720	577,034
13,965	410	-	-	30,470	19,596	21,026	40,622	71,092
-	-	-	-	3,874	470,839	5,596	476,435	480,309
74	14,687	66	-	42,248	18,289	5,691	23,980	66,228
218,651	15,358	-	-	263,794	26,914	17,563	44,477	308,271
-	-	-	-	-	-	45,230	45,230	45,230
65,534	3,946	25	2,274	131,160	139,445	21,247	160,692	291,852
115,031	69,956	74,818	29,283	754,931	(871,803)	116,872	(754,931)	-
<u>\$ 1,174,272</u>	<u>\$ 345,109</u>	<u>\$ 826,047</u>	<u>\$ 235,314</u>	<u>\$ 6,153,758</u>	<u>\$ 1,269,375</u>	<u>\$ 1,512,002</u>	<u>\$ 2,781,377</u>	<u>\$ 8,935,135</u>

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 3,057,532	\$ 3,978,239
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	321,406	308,271
Donated Securities	(23,138)	(43,499)
Realized Loss from Sale of Investments	685	2,533
Unrealized (Gain) Loss on Investments	(72,559)	128,456
Unrealized Loss on Disposal of Fixed Assets	66,027	-
Contributions Restricted for Long-Term Purposes	(13,365)	(1,886)
Changes in Assets and Liabilities:		
Contributions Receivable	(503,362)	992,144
Other Receivables	(3,215)	(2,028)
Prepaid Expenses	(39,676)	15,155
Other Assets	63,055	-
Accounts Payable and Accrued Expenses	(327,841)	(146,922)
Deferred Revenue	(600)	1,050
Deferred Rent	102,278	(13,572)
Net Cash Provided by Operating Activities	2,627,227	5,217,941
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(225,442)	(128,598)
Purchases of Investments	(965,496)	(800,557)
Proceeds from Sale of Investments	915,921	718,743
Net Cash Used in Investing Activities	(275,017)	(210,412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Line of Credit Payments	-	(1,168,563)
Investment in Permanent Endowment	13,365	1,886
Net Cash Provided by (Used in) Financing Activities	13,365	(1,166,677)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,365,575	3,840,852
Cash and Cash Equivalents - Beginning of Year	4,733,666	892,814
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,099,241	\$ 4,733,666
SUPPLEMENTAL DISCLOSURE		
Cash Paid During the Year for Interest	\$ -	\$ 10,157

See accompanying Notes to Financial Statements.

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 ORGANIZATION

Robert F. Kennedy 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, dba: Robert F. Kennedy Human Rights (the "Organization") is a nonprofit charitable organization that for more than 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, RFK Human Rights' core programs focus on the power of individuals working through alliances and partnerships to generate change.

The Organization 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 (RFK 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 Organization Board, Kennedy family, and their networks to advocate for the change the Organization'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. Our program works both domestically and abroad. Our domestic work aims at using public policy change, advocacy, and innovative techniques to put lasting legal change in place for complex societal issues.

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" by playwright Ariel Dorfman that continues to tour worldwide, a video contest, a music contest and the continued distribution of human rights educational materials including curricula covering from grades kindergarten through law school that has reached over five millions students worldwide. STTP seeks educational partners such as Teachers' organizations and unions, foundations and education officials to bring the curriculum to more classrooms. It is continually expanding its reach in the US and abroad. Recent and planned expansions include Canada, France, Greece, Mozambique, Myanmar, Norway, Portugal, Rwanda, Spain, Switzerland and the United Kingdom. And in the US expansion includes Austin, Baltimore, Boston, Elkhart, Memphis, Minneapolis and San Francisco. Curricula are added and updated to address contemporary social issues such as bullying, and child sexual abuse, offering ideas and resources to implement change.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 ORGANIZATION (CONTINUED)

Book and Journalism Awards:

Robert F. Kennedy Human Rights Award

The Robert F. Kennedy (RFK) 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 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.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 ORGANIZATION (CONTINUED)

Communications

Through the Organization's email news, website, social media, videos and published reports, the Organization works to raise the visibility of RFK Human Rights and its programs; to expand the public discourse on issues that concerned RFK and that comprise the Organization'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 Organization 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 Organization issues regular electronic bulletins and messages to keep donors, lawmakers, advocates and activists and media informed of the Organization's work and updated on the issues the Organization covers. The Organization 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 Organization'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 Organization and related issues.

RFK Compass

In 2010, the Organization convened the first annual Compass Conference as part of the Compass Program. The RFK Compass Program of the Robert F. Kennedy 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 our 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.

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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 RFK Human Rights 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.

Robert F. Kennedy Young Leaders

Robert F. Kennedy Young Leaders (RFKYL) is dedicated to empowering young human rights defenders and mobilizing a diverse community of young people to take action for social justice and human rights. The RFKYL network of volunteers includes young professionals from a wide range of fields who share a commitment to effecting change in creative and meaningful ways. RFKYL has created an app to improve healthcare in the United States Gulf Coast, advocated for farmworkers rights in New York, and hosted discussions with some of the world's leading human rights activists. RFKYL currently has chapters in New York City and Washington DC, which support local human rights initiatives, organize volunteer activities, and hold events.

RFK Europe

The Organization also works with RFK Europe, located in Italy, advising on its human rights initiative. Bringing STTP to Italian and other European classrooms and collaborating on advocacy and curriculum projects.

RFK Legacy

In 2014, RFK Human Rights launched a new program division, RFK Legacy. Its purpose is to educate new audiences about Robert Kennedy's life and work, focusing on the effect of his work and how his efforts and beliefs relate to today's issues, using an online curriculum, the new website, a photo archive and a traveling educational exhibit which is under development. It is primarily an educational initiative so that new generations will be inspired to act and to make a difference.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax

The Organization 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 Organization is a publicly supported organization. However, should the Organization have income from activities not directly related to its tax-exempt purpose, such income would be subject to taxation as unrelated business income. The Organization did not have any unrelated business income for the years ended December 31, 2016 and 2015.

The Organization's tax returns are subject to review by federal, state and local authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status.

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 Organization 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.

Contributions Receivable

Receivables are stated at net realizable value. Accounts are individually analyzed for collectability and an allowance is recorded for a specific receivable when there is a doubt in collectability 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.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

The Organization 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 statements of activities as “net assets released from restrictions.”

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 Organization 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 Organization’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.

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NOTE 3 FINANCIAL RISKS

Financial instruments, which subject the Organization to a concentration of credit risk, consist of demand deposits placed with financial institutions. At times during the year, the Organization 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 Organization invests funds in a portfolio that contains individual equities, mutual funds, and bonds. 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.

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. The discount rate is 3.25%. Conditional promises are not included as revenue until such times as the conditions are substantially met.

As of December 31, 2016 and 2015, there are \$1,830,755 and \$1,161,184, respectively, in unconditional promises to give that are expected to be collected in less than one year. As of December 31, 2016 and 2015, there are \$23,815 and \$307,124, respectively, in unconditional promises to give that are expected to be collected between two and five years.

NOTE 5 INVESTMENTS

Investments are recorded at fair value and are composed of the following as of December 31, 2016 and 2015:

	2016	2015
Common Stock	\$ 280,458	\$ 284,674
Mutual Funds - Equity	1,514,542	1,394,399
Mutual Funds - Fixed Income	113,177	110,746
Municipal Bonds	927,013	1,055,670
Corporate Bonds	825,295	706,121
Cash and Money Market	159,718	124,007
Total Investments	\$ 3,820,203	\$ 3,675,617

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NOTE 6 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Organization has categorized its financial instruments, based on the priority of 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 Organization 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.

The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2016 and 2015:

	2016			Total
	Level 1	Level 2	Level 3	
Investments:				
Common Stock	\$ 280,458	\$ -	\$ -	\$ 280,458
Mutual Funds - Equity	1,514,542	-	-	1,514,542
Mutual Funds - Fixed Income	113,177	-	-	113,177
Municipal Bonds	-	927,013	-	927,013
Corporate Bonds	731,689	93,606	-	825,295
Cash and Money Market	159,718	-	-	159,718
Total	<u>\$ 2,799,584</u>	<u>\$ 1,020,619</u>	<u>\$ -</u>	<u>\$ 3,820,203</u>
	2015			Total
	Level 1	Level 2	Level 3	
Investments:				
Common Stock	\$ 284,674	\$ -	\$ -	\$ 284,674
Mutual Funds - Equity	1,394,399	-	-	1,394,399
Mutual Funds - Fixed Income	110,746	-	-	110,746
Municipal Bonds	-	1,055,670	-	1,055,670
Corporate Bonds	503,135	202,986	-	706,121
Cash and Money Market	124,007	-	-	124,007
Total	<u>\$ 2,416,961</u>	<u>\$ 1,258,656</u>	<u>\$ -</u>	<u>\$ 3,675,617</u>

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NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Purpose Restricted:		
Partners for Human Rights	\$ 1,697,107	\$ 255,707
Endowment Fund	3,555	15,626
Juvenile Justice Collaboration	-	13,792
Speak Truth to Power	317,207	636,955
RFK Legacy	<u>1,173,328</u>	<u>247,302</u>
Total Purpose Restricted	3,191,197	1,169,382
Time Restricted:		
Leadership Council	<u>53,683</u>	<u>163,807</u>
Total Time Restricted	<u>53,683</u>	<u>163,807</u>
Total	<u>\$ 3,244,880</u>	<u>\$ 1,333,189</u>

NOTE 8 ENDOWMENTS

The Organization 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 Organization 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 Organization 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 Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considered all amounts earned on the endowment fund to be appropriated for current use.

The Organization's endowment investment policy is focused on preservation of capital and amounts are invested in mutual funds, common stocks, and bonds.

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NOTE 8 ENDOWMENTS (CONTINUED)

In accordance with UPMIFA, the Organization 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 Organization 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 Organization
- The investment policy of the Organization

Return Objectives and Risk Parameters

The Organization 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 Organization 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 Organization's objective is that total investment returns shall exceed the US Consumer Price Index by four percent and that average rates of investment returns shall approximate seven to nine percent annually. Actual experience in any given year may vary from this amount.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Spending rate policy will be four percent. Over the long term, the Organization expects to allow its endowment to grow annually, consistent with the Organization'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 Organization 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 Organization utilizes the services of experienced investment managers to achieve its objectives.

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NOTE 8 ENDOWMENTS (CONTINUED)

The endowment net assets and activity for 2016 and 2015 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Fund as of December 31, 2014	\$ -	\$ 91,771	\$ 1,396,504	\$ 1,488,275
Contributions	-	-	1,886	1,886
Contribution Receivable Payment Received	-	-	28,114	28,114
Earnings:				
Interest and Dividends	-	49,477	-	49,477
Realized Loss	-	(18,709)	-	(18,709)
Unrealized Loss	-	(49,853)	-	(49,853)
	-	(19,085)	-	(19,085)
Appropriations	-	(57,060)	-	(57,060)
Endowment Fund as of December 31, 2015	-	15,626	1,426,504	1,442,130
Contributions	-	-	13,365	13,365
Contribution Receivable Payment Received	-	-	96,635	96,635
Earnings:				
Interest and Dividends	-	38,520	-	38,520
Realized Loss	-	(276)	-	(276)
Unrealized Gain	-	29,184	-	29,184
	-	67,428	-	67,428
Appropriations	-	(79,499)	-	(79,499)
Endowment Fund as of December 31, 2016	<u>\$ -</u>	<u>\$ 3,555</u>	<u>\$ 1,536,504</u>	<u>\$ 1,540,059</u>

Endowment Fund, December 31, 2015	\$ 1,426,504
Contribution Receivable	<u>121,328</u>
Permanently Restricted Net Assets, December 31, 2015	<u>\$ 1,547,832</u>
Endowment Fund, December 31, 2016	\$ 1,536,504
Contribution Receivable	<u>24,693</u>
Permanently Restricted Net Assets, December 31, 2016	<u>\$ 1,561,197</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 Organization 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, 2016 and 2015.

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NOTE 9 IN-KIND DONATIONS

The Organization receives various in-kind donations, which the Organization 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, 2016 and 2015, were \$633,951 and \$853,969, respectively. The in-kind donations benefited the following activities for the years ended December 31, 2016 and 2015.

	2016	2015
Program Services	\$ 139,670	\$ 154,583
Management and General	97,741	302,130
Fund-Raising	396,540	397,256
Total	\$ 633,951	\$ 853,969

NOTE 10 PENSION PLAN

The Organization has a defined contribution pension plan which covers all of its full-time employees. Contributions are made by the Organization 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, 2016 and 2015, was \$91,535 and \$97,169, respectively.

NOTE 11 LEASE COMMITMENTS

In 2016, the Organization entered into a 126-month noncancelable operating lease for office space in New York City which will expire on January 31, 2027. As part of the office lease agreement, the Organization received six months' free rent. The rent abatement, as well as any stated rent increases within the lease agreement, are 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 Organization entered into a seven-year noncancelable operating lease for office space in Washington, DC which will expire on April 30, 2019. As part of the office lease agreement, the landlord agreed to abate 50% of the Base Annual Rent for the first five full months of the lease term. The rent abatement, as well as any stated rent increases within the lease agreement, are being amortized on a straight-line basis over the life of the lease and the Organization 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, 2016 and 2015, was \$470,470 and \$414,368, respectively. Aggregate minimum annual rental payments are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 519,061
2018	549,025
2019	378,463
2020	298,800
2021	298,800
Thereafter	<u>1,581,648</u>
Total	<u>\$ 3,625,797</u>

NOTE 12 RELATED PARTY TRANSACTIONS

A Board member is also an employee of the Organization, working principally on the Speak Truth To Power, RFK Partners for Human Rights, Fundraising and Development and Compass programs. The Organization paid compensation of \$320,324 and \$250,300 to this employee for the years ended December 31, 2016 and 2015, respectively.

NOTE 13 COMMITMENTS

Hotel Commitments

The Organization has entered into agreements with various hotels for meeting facilities, catering, and accommodations for conferences through 2017. Many of the agreements contain a clause whereby the Organization is liable for liquidated damages in the event of cancellation. At December 31, 2016, the maximum possible amounts of liquidated damages totaled approximately \$66,100.

Line of Credit

The Organization has a \$2,400,000 line of credit with First Republic Bank. The line is collateralized by the Organization's investments. The line matures annually on September 15 and automatically renews unless the bank informs the Organization to the contrary at least 30 days prior to the maturity date. The line accrues interest at a variable rate based on the prime rate plus a spread of 2.000% per annum, rounded up to the nearest one-eighth of one percent, subject to a floor rate of 2.250% per annum.

In 2016, the Organization executed a standby letter of credit as security for the office space lease in New York City. The letter of credit is automatically extended every year with a final expiration date of December 31, 2027, unless a non-extension notice is delivered by First Republic Bank to Orient Overseas Associates (the landlord of the New York City office space) no less than 60 calendar days before expiration.

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NOTE 14 SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 18, 2017, the date the financial statements were available to be issued.