

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

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2019 AND 2018**



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CONSULTING**

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS  
DBA: ROBERT F. KENNEDY HUMAN RIGHTS  
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YEARS ENDED DECEMBER 31, 2019 AND 2018**

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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, 2019 and 2018, 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, 2019 and 2018, 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.

**Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the Organization has adopted Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
July 7, 2020

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS**  
**DBA: ROBERT F. KENNEDY HUMAN RIGHTS**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2019 AND 2018**

<b>ASSETS</b>	2019	2018
Cash and Cash Equivalents	\$ 4,307,305	\$ 7,537,819
Contributions Receivable, Less Allowance for Doubtful Accounts of \$500	5,588,099	3,648,732
Other Receivables	1,145,420	1,529,750
Prepaid Expenses	168,432	143,147
Investments, at Market	15,718,594	10,789,767
Receivable from Insurance Trust	7,100,270	7,100,270
Beneficial Interest in Remainder Trust	29,255,291	23,715,176
Other Assets	66,076	61,376
Fixed Assets:		
Furniture and Equipment	369,298	312,123
Leasehold Improvements	469,971	458,059
Software and Course Curriculum	350,382	1,018,468
Total Fixed Assets	1,189,651	1,788,650
Accumulated Depreciation	(640,015)	(1,174,413)
Fixed Assets, Net	549,636	614,237
 Total Assets	 \$ 63,899,123	 \$ 55,140,274
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,015,330	\$ 951,910
Deferred Revenue	-	600
Guarantor Debt to Insurance Trusts	7,100,270	7,100,270
Deferred Rent	488,553	524,705
Total Liabilities	8,604,153	8,577,485
 <b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	13,626,159	11,769,339
Board-Designated STTP	220,030	220,030
Total Without Donor Restrictions	13,846,189	11,989,369
With Donor Restrictions - Time and Purpose	39,187,508	32,187,275
With Donor Restrictions - Perpetuity:		
Human Rights Award	521,831	521,831
Partners for Human Rights	1,249,751	1,374,623
General Programs	489,691	489,691
Total With Donor Restrictions - Perpetuity	2,261,273	2,386,145
Total Net Assets	55,294,970	46,562,789
 Total Liabilities and Net Assets	 \$ 63,899,123	 \$ 55,140,274

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, 2019 AND 2018**

	2019			Total
	Without Donor Restrictions	With Donor Restrictions - Time and Purpose	With Donor Restrictions - Perpetuity	
<b>REVENUE AND OTHER SUPPORT</b>				
Contributions and Grants	\$ 8,356,567	9,522,464	\$ 2,235	\$ 17,881,266
Special Events	619,676	-	-	619,676
Benefits Related to Exchange Transactions	(1,143,222)	-	-	(1,143,222)
Donated Goods and Services	835,348	-	-	835,348
Other Income	27,175	-	-	27,175
Net Assets Released from Restrictions/Reclassification:				
Satisfaction of Program Restrictions	2,566,891	(2,566,891)	-	-
Satisfaction of Time Restrictions	170,827	(170,827)	-	-
Reclassification - Due to Bad Debt	127,107	-	(127,107)	-
Total Revenue and Other Support	<u>11,560,369</u>	<u>6,784,746</u>	<u>(124,872)</u>	<u>18,220,243</u>
<b>EXPENSES</b>				
Program Services:				
Partners for Human Rights	2,187,703	-	-	2,187,703
Speak Truth To Power	1,665,193	-	-	1,665,193
Book and Journalism Awards	182,649	-	-	182,649
RFK Young Leaders	399,956	-	-	399,956
Compass	1,085,448	-	-	1,085,448
Communications	798,870	-	-	798,870
RFK Europe	182,158	-	-	182,158
RFK United Kingdom	218,223	-	-	218,223
RFK Legacy	356,928	-	-	356,928
Total Program Services	<u>7,077,128</u>	<u>-</u>	<u>-</u>	<u>7,077,128</u>
Support Services:				
Management and General	2,606,740	-	-	2,606,740
Fund-Raising	1,697,432	-	-	1,697,432
Total Support Services	<u>4,304,172</u>	<u>-</u>	<u>-</u>	<u>4,304,172</u>
Total Expenses	<u>11,381,300</u>	<u>-</u>	<u>-</u>	<u>11,381,300</u>
<b>CHANGE IN NET ASSETS BEFORE INVESTMENT INCOME (LOSS)</b>				
	179,069	6,784,746	(124,872)	6,838,943
<b>INVESTMENT INCOME (LOSS)</b>				
Interest and Dividends	386,707	50,113	-	436,820
Realized (Loss) Gain from Sale of Investments, Net of Fees	(11,921)	(1,533)	-	(13,454)
Unrealized Gain (Loss) on Investments	1,371,559	176,432	-	1,547,991
Investment Advisory Fees	(68,594)	(9,525)	-	(78,119)
Total Investment Income (Loss)	<u>1,677,751</u>	<u>215,487</u>	<u>-</u>	<u>1,893,238</u>
<b>CHANGE IN NET ASSETS</b>				
	1,856,820	7,000,233	(124,872)	8,732,181
Net Assets - Beginning of Year	<u>11,989,369</u>	<u>32,187,275</u>	<u>2,386,145</u>	<u>46,562,789</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 13,846,189</u>	<u>\$ 39,187,508</u>	<u>\$ 2,261,273</u>	<u>\$ 55,294,970</u>

See accompanying Notes to Financial Statements.

2018

Without Donor Restrictions	With Donor Restrictions - Time and Purpose	With Donor Restrictions - Perpetuity	Total
\$ 11,397,115	\$ 30,918,301	\$ 703,822	\$ 43,019,238
608,981	-	-	608,981
(1,175,839)	-	-	(1,175,839)
883,452	-	-	883,452
33,074	-	-	33,074
2,031,540	(2,031,540)	-	-
85,530	(85,530)	-	-
-	-	-	-
<u>13,863,853</u>	<u>28,801,231</u>	<u>703,822</u>	<u>43,368,906</u>
3,045,357	-	-	3,045,357
1,210,012	-	-	1,210,012
151,576	-	-	151,576
341,072	-	-	341,072
648,983	-	-	648,983
563,006	-	-	563,006
118,974	-	-	118,974
125,472	-	-	125,472
937,272	-	-	937,272
<u>7,141,724</u>	<u>-</u>	<u>-</u>	<u>7,141,724</u>
2,170,288	-	-	2,170,288
1,953,401	-	-	1,953,401
<u>4,123,689</u>	<u>-</u>	<u>-</u>	<u>4,123,689</u>
<u>11,265,413</u>	<u>-</u>	<u>-</u>	<u>11,265,413</u>
2,598,440	28,801,231	703,822	32,103,493
271,405	51,524	-	322,929
21,035	3,995	-	25,030
(706,596)	(134,141)	-	(840,737)
(44,956)	(8,537)	-	(53,493)
<u>(459,112)</u>	<u>(87,159)</u>	<u>-</u>	<u>(546,271)</u>
2,139,328	28,714,072	703,822	31,557,222
9,850,041	3,473,203	1,682,323	15,005,567
<u>\$ 11,989,369</u>	<u>\$ 32,187,275</u>	<u>\$ 2,386,145</u>	<u>\$ 46,562,789</u>

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS  
DBA: ROBERT F. KENNEDY HUMAN RIGHTS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2019**

	Partners for Human Rights	Speak Truth To Power	Book and Journalism Awards	RFK Young Leaders	Compass
Salaries	\$ 734,949	\$ 578,430	\$ 19,461	\$ 174,438	\$ 203,455
Professional and Consultant Fees	280,322	538,231	66,296	28,146	174,812
Employee Benefits and Payroll Taxes	279,298	211,798	7,765	62,647	73,479
Awards, Grants, and Contributions	208,085	-	12,000	11,000	-
Miscellaneous	46,832	6,644	5,905	5,406	11,935
Supplies	25,508	1,117	17,606	3,227	907
Printing, Publications, and Films	4,441	3,680	1,008	1,020	13,029
Equipment Purchases, Repairs, and Maintenance	-	-	-	-	-
Membership Fees and Subscriptions	167	312	4,180	618	13,272
Travel	175,790	66,506	2,918	35,288	71,905
Conferences, Meetings, and Events	44,412	35,104	35,002	20,467	450,979
Occupancy and Other Related Expenses	-	26,398	-	-	-
Telephone, Postage, and Shipping	8,780	7,869	3,737	1,309	7,341
Depreciation and Amortization	-	-	-	-	-
Bad Debt	127,107	-	-	-	-
Indirect Costs	252,012	189,104	6,771	56,390	64,334
	<u>\$ 2,187,703</u>	<u>\$ 1,665,193</u>	<u>\$ 182,649</u>	<u>\$ 399,956</u>	<u>\$ 1,085,448</u>
Total Functional Expenses	<u>\$ 2,187,703</u>	<u>\$ 1,665,193</u>	<u>\$ 182,649</u>	<u>\$ 399,956</u>	<u>\$ 1,085,448</u>

See accompanying Notes to Financial Statements.



Communi- cations	RFK Europe	RFK United Kingdom	RFK Legacy	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	Total
\$ 308,709	\$ 55,292	\$ -	\$ 194,892	\$ 2,269,626	\$ 1,044,422	\$ 377,352	\$ 1,421,774	\$ 3,691,400
152,004	30,000	-	9,000	1,278,811	780,112	531,322	1,311,434	2,590,245
116,249	19,029	-	60,556	830,821	334,388	140,970	475,358	1,306,179
-	48,950	172,437	20,000	472,472	1,100	1,250	2,350	474,822
70,828	-	-	6,300	153,850	50,159	22,920	73,079	226,929
411	-	-	135	48,911	87,615	19,702	107,317	156,228
-	-	-	-	23,178	15,959	9,419	25,378	48,556
-	-	-	-	-	8,875	-	8,875	8,875
15,117	-	-	349	34,015	63,901	17,737	81,638	115,653
8,101	11,956	2,841	2,161	377,466	189,720	58,861	248,581	626,047
479	-	911	1,410	588,764	100,225	136,393	236,618	825,382
-	-	3,930	1,500	31,828	612,661	10,155	622,816	654,644
2,784	656	-	2,681	35,157	70,939	90,728	161,667	196,824
23,570	-	-	-	23,570	111,252	2,520	113,772	137,342
-	-	38,104	-	165,211	1,463	155,500	156,963	322,174
100,618	16,275	-	57,944	743,448	(866,051)	122,603	(743,448)	-
<u>\$ 798,870</u>	<u>\$ 182,158</u>	<u>\$ 218,223</u>	<u>\$ 356,928</u>	<u>\$ 7,077,128</u>	<u>\$ 2,606,740</u>	<u>\$ 1,697,432</u>	<u>\$ 4,304,172</u>	<u>\$ 11,381,300</u>

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS  
DBA: ROBERT F. KENNEDY HUMAN RIGHTS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018**

	Partners for Human Rights	Speak Truth to Power	Book and Journalism Awards	RFK Young Leaders	Compass
Salaries	\$ 737,406	\$ 332,805	\$ 3,080	\$ 169,790	\$ 66,075
Professional and Consultant Fees	1,154,445	573,400	62,092	36,150	127,613
Employee Benefits and Payroll Taxes	252,201	118,028	1,255	53,476	25,300
Awards, Grants, and Contributions	179,514	-	13,000	-	2,000
Miscellaneous	51,491	11,898	7,105	-	1,697
Supplies	4,890	90	15,074	1,678	4,122
Printing, Publications, and Films	5,086	7,407	1,911	1,639	1,660
Equipment Purchases, Repairs, and Maintenance	331	-	-	-	-
Membership Fees and Subscriptions	2,728	376	2,414	-	10,315
Travel	160,012	11,991	787	12,917	14,616
Conferences, Meetings, and Events	223,256	8,596	43,132	8,646	368,114
Occupancy and Other Related Expenses	-	3,352	-	-	254
Telephone, Postage, and Shipping	22,123	11,826	700	1,263	3,435
Depreciation and Amortization	-	14,876	-	-	-
Bad Debt	-	-	-	-	-
Indirect Costs	251,874	115,367	1,026	55,513	23,782
<b>Total Functional Expenses</b>	<b>\$ 3,045,357</b>	<b>\$ 1,210,012</b>	<b>\$ 151,576</b>	<b>\$ 341,072</b>	<b>\$ 648,983</b>

See accompanying Notes to Financial Statements.

Communi- cations	RFK Europe	RFK United Kingdom	RFK Legacy	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	Total
\$ 227,740	\$ 9,923	\$ -	\$ 325,411	\$ 1,872,230	\$ 1,041,845	\$ 505,852	\$ 1,547,697	\$ 3,419,927
45,775	60,233	5,000	113,644	2,178,352	392,618	816,672	1,209,290	3,387,642
81,280	4,527	-	103,395	639,462	304,451	176,095	480,546	1,120,008
-	35,000	117,600	-	347,114	1,000	-	1,000	348,114
46,649	-	-	5,751	124,591	74,494	39,610	114,104	238,695
751	-	-	5,294	31,899	93,714	10,438	104,152	136,051
-	-	-	1,773	19,476	9,675	11,817	21,492	40,968
-	-	-	-	331	13,107	-	13,107	13,438
15,200	-	-	777	31,810	47,750	14,510	62,260	94,070
8,811	5,225	506	22,487	237,352	185,502	26,045	211,547	448,899
-	-	1,438	245,373	898,555	83,008	67,915	150,923	1,049,478
-	-	-	-	3,606	609,615	3,018	612,633	616,239
2,310	140	928	6,118	48,843	66,776	55,523	122,299	171,142
55,477	-	-	-	70,353	59,108	6,014	65,122	135,475
-	-	-	-	-	-	45,267	45,267	45,267
79,013	3,926	-	107,249	637,750	(812,375)	174,625	(637,750)	-
<u>\$ 563,006</u>	<u>\$ 118,974</u>	<u>\$ 125,472</u>	<u>\$ 937,272</u>	<u>\$ 7,141,724</u>	<u>\$ 2,170,288</u>	<u>\$ 1,953,401</u>	<u>\$ 4,123,689</u>	<u>\$ 11,265,413</u>

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS**  
**DBA: ROBERT F. KENNEDY HUMAN RIGHTS**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 8,732,181	\$ 31,557,222
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	137,342	135,475
Realized Gain (Loss) from Sales of Investments	13,454	(25,030)
Unrealized (Gain) Loss on Investments	(1,547,991)	840,737
Loss on Disposal of Fixed Assets	457	11,530
Contributions Restricted for Long-Term Purposes	(2,235)	(703,822)
Changes in Assets and Liabilities:		
Contributions Receivable	(1,939,367)	(1,382,012)
Other Receivables	384,330	(1,485,161)
Prepaid Expenses	(25,285)	26,764
Receivables from Insurance Trusts	-	(7,100,270)
Beneficial Interest in Remainder Trusts	(5,540,115)	(23,715,176)
Other Assets	(4,700)	-
Accounts Payable and Accrued Expenses	63,420	283,763
Deferred Revenue	(600)	(150)
Guarantor Debt to Insurance Trust	-	7,100,270
Deferred Rent	(36,152)	20,820
Net Cash Provided by Operating Activities	234,739	5,564,960
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(73,198)	(141,813)
Purchases of Investments	(12,155,273)	(10,504,465)
Proceeds from Sale of Investments	8,760,983	4,158,027
Net Cash Used by Investing Activities	(3,467,488)	(6,488,251)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Investment in Endowment	2,235	703,822
Net Cash Provided by Financing Activities	2,235	703,822
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,230,514)	(219,469)
Cash and Cash Equivalents - Beginning of Year	7,537,819	7,757,288
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 4,307,305	\$ 7,537,819
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Leasehold Improvement Acquired through Improvement Allowance	\$ -	\$ 323,400
<b>SUPPLEMENTAL DISCLOSURE</b>		
Cash Paid During the Year for Interest	\$ 1,463	\$ -

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, 2019 AND 2018**

**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 five 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) is the organization's advocacy and litigation arm. RFK PHR leverages professional human rights staff, Board and Leadership Council, and their networks to advocate for the change sought by the organization's partner activists on the ground; these include holding governments accountable and changing policies and actions of governments, intergovernmental organizations, and corporations to build a more just and peaceful world. RFK PHR uses cutting edge methods and innovative tools including litigation, advocacy, capacity-building, data collection, and documenting and reporting abuses, as well as launching awareness and education campaigns aimed at achieving social justice goals. The 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. Our domestic work has been aimed at reducing the population of individual's incarcerated pre-trial. Through campaigns, advocacy, and strategic litigation we help decrease the systemic reliance on money bail and positively impact the criminalization of poverty in the United States.

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 ORGANIZATION (CONTINUED)**

**Speak Truth to Power**

At RKFHR, we understand the imminent need to provide transformative and systematic human rights education to prevent violations from occurring. Aligned with the principles of the Declaration of Human Rights Education and Training, [Speak Truth To Power \(STTP\)](#), is: 1) about human rights, which includes providing knowledge of the human rights framework and the mechanisms for its protection; 2) through human rights, which includes learning and teaching in a way that respects the rights of educators and students; and 3) for human rights, which includes empowering students to recognize and protect their rights and those of others. Under this framework and through storytelling, STTP constructs a world in which human rights education is ingrained into the fabric of all educators' pedagogy, and where young people have the effective mindsets, attitudes, and behaviors to defend and advance human rights as the next generation of human rights defenders. STTP seeks educational partners such as teachers' organizations and unions, school districts, foundations and education officials to bring the educator training and educational resources to more students. It is continually expanding its reach in the US and abroad. CUrrent domestic programming occurs in New York City, Washington D.C., Philadelphia, Connecticut, Memphis, San Diego, Indianapolis, Los Angeles, Austin, and Chicago. Our current global work includes Spain, UK, Switzerland, Greece, Italy, Sweden, Denmark, Sarajevo, and Mexico.

**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.

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**NOTE 1 ORGANIZATION (CONTINUED)**

**Book and Journalism Awards (Continued)**

*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.

**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. As part of our efforts to inform, engage and inspire, we offer video content relative to our work and legacy via our website, YouTube channel and across social media platforms. The Communications Department publishes op-eds, articles, blogs and press releases about the work of the Organization and related issues.

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**NOTE 1 ORGANIZATION (CONTINUED)**

**RFK Compass**

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

**Robert F. Kennedy Young Leaders**

Young people at the margins and those who hold intersectional identities are disproportionately absent from leadership roles, community dialogues, and critical decision making positions in communities across our country. We believe that in order to build a more just and peaceful world, the next generation of leaders must be inclusive, and reflect the diverse identities that exist throughout all corners of our nation. The RFK Young Leaders program focuses on partnering with young adults in college by mobilizing them to take action on issues affecting their communities, building their individual leadership skills, and expanding their collective access to professionals and political networks.

**RFK Europe**

The Organization also works in Europe, with local affiliates or partners in Italy, France, Switzerland, Spain, and Greece. Bringing STTP to European classrooms and collaborating on advocacy and curriculum projects



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**NOTE 1 ORGANIZATION (CONTINUED)**

**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. Legacy uses an online curriculum, which is also part of Speak Truth to Power, the website, a newly digitized photo archive and opportunities to engage students and the general public, as well as through RFK awards programs, book talks and participation on panels and in speaking roles. It is primarily an educational initiative to inspire new generations to take action and to make a difference. All of our other program areas are influenced by Robert Kennedy's legacy.

**RFK United Kingdom**

The Organization supports the development of Human Rights educational programs both in schools and within the general public space. The primary efforts are aligned around the development of a major Human Rights Festival which will be delivered in partnership with a local Municipal Government and a set of well-established local advocacy organizations.

**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.

**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, 2019 and 2018.

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.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Net Assets**

The Organization classifies net assets into three categories: without donor restrictions, with donor restrictions – time and purpose, and with donor restrictions – perpetuity. The purposes of the net assets are as follows:

**Net Assets Without Donor Restrictions**

Undesignated – Represents net assets available for general operations.

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

**Net Assets With Donor Restrictions – Time and Purpose**

Represents contributions received from donors with purpose and/or time restrictions on their use. Net assets with donor restrictions become net assets without donor restrictions 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.”

**Net Assets With Donor Restrictions – Perpetuity**

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

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The Organization records contributions as without donor restrictions or with donor restrictions 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.

**Liquidity and Availability**

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year as of December 31 are:

	<b>2019</b>	<b>2018</b>
Financial Assets:		
Cash and Cash Equivalents	\$ 4,307,305	\$ 7,537,819
Other Receivables	1,145,420	1,529,750
Contributions Receivable	5,588,099	3,648,732
Investments	15,718,594	10,789,767
Total Financial Assets	<u>26,759,418</u>	<u>23,506,068</u>
Less Financial Assets Held to Meet Donor-Imposed Restrictions:		
Purpose-Restricted Net Assets	(8,649,948)	(8,184,129)
Donor-Restricted Endowment Funds	(2,261,273)	(2,386,145)
Investments Pledged as Collateral for Loans and Guarantees	(8,600,270)	(8,600,270)
Less Financial Assets Not Available Within One Year:		
Contributions Receivable	(3,069,334)	(135,887)
Less Board-Designated Net Assets	<u>(220,030)</u>	<u>(220,030)</u>
Amount Available for General Expenditures Within One Year	<u><u>\$ 3,958,563</u></u>	<u><u>\$ 3,979,607</u></u>

The above table reflects donor-restricted and board-designated net assets as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization. The Organization maintains a revolving line of credit of \$1,500,000 to cover short-term cash needs (Note 14).

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

During the year ended December 31, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this amended guidance to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The guidance provides a more robust framework to determine when a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also requires an entity to determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Accordingly, the accounting change has been adopted using the modified prospective approach.

**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, U.S. treasury securities, 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 fully met.

As of December 31, 2019 and 2018, there are \$2,518,765 and \$2,612,037, respectively, in unconditional promises to give that are expected to be collected in less than one year. As of December 31, 2019 and 2018, there are \$1,910,291 and \$817,047, respectively, in unconditional promises to give that are expected to be collected between two and five years and \$1,159,043 and \$219,648, respectively, to be collected between six and ten years.

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**NOTE 5 INVESTMENTS**

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

	<u>2019</u>	<u>2018</u>
Common Stock	\$ 713,942	\$ 318,731
Mutual Funds	10,534,718	8,160,603
U.S. Treasury Securities	500,383	509,580
Municipal Bonds	244,305	221,051
Corporate Bonds	496,639	447,628
Cash and Money Market	3,228,607	1,132,174
Total Investments	<u>\$ 15,718,594</u>	<u>\$ 10,789,767</u>

**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.

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**NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following tables present the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31:

	2019			Total
	Level 1	Level 2	Level 3	
Investments:				
Common Stock	\$ 713,942	\$ -	\$ -	\$ 713,942
Mutual Funds	10,534,718	-	-	10,534,718
U.S. Treasury Securities	500,383	-	-	500,383
Municipal Bonds	-	244,305	-	244,305
Corporate Bonds	-	496,639	-	496,639
Cash and Money Market	3,228,607	-	-	3,228,607
Total	<u>\$ 14,977,650</u>	<u>\$ 740,944</u>	<u>\$ -</u>	<u>\$ 15,718,594</u>
	2018			Total
	Level 1	Level 2	Level 3	
Investments:				
Common Stock	\$ 318,731	\$ -	\$ -	\$ 318,731
Mutual Funds	8,160,603	-	-	8,160,603
U.S. Treasury Securities	509,580	-	-	509,580
Municipal Bonds	-	221,051	-	221,051
Corporate Bonds	-	447,628	-	447,628
Cash and Money Market	1,132,174	-	-	1,132,174
Total	<u>\$ 10,121,088</u>	<u>\$ 668,679</u>	<u>\$ -</u>	<u>\$ 10,789,767</u>

**NOTE 7 BENEFICIAL INTEREST IN TRUST**

During 2018, the Organization entered into four trust agreements with Board members. The declaration of the trusts shall be irrevocable. The purpose of the trusts is to acquire and own life insurance on the life of the insured for the exclusive benefit of the beneficiary. The Organization is the beneficiary of the trusts. The insured shall retain no rights, privileges, or interest in any portion of the trusts or any portion of the life insurances. Upon death of the insured, the trust shall terminate, and the remaining trust property shall be distributed to the beneficiary (the Organization) of the trusts.

Immediately following each contribution to the trusts, the Organization may withdraw from the trusts a portion of the value of each contribution, the amount of which, and the limitations, rules and procedures applicable to which shall be set forth in the Declaration of Trust agreements.

The Trustee may, but shall not be required to, distribute to the Organization as much of the net income and principal of the trusts as the Trustee may at any time and from time to time determine, for any purpose. Any net income not so distributed shall be accumulated and annually added to principal.

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**NOTE 7 BENEFICIAL INTEREST IN TRUST (CONTINUED)**

The present value of the Organization's benefit in the trusts is \$29,255,291 and \$23,715,176 as of December 31, 2019 and 2018, respectively. The present value was calculated using imputed interest rates of 2.25% - 2.52% and a life expectancy of 20.11 - 39.50 years as of December 31, 2019. The present value was calculated using imputed interest rates of 2.96% - 3.09% and a life expectancy of 20.75 - 40.38 years as of December 31, 2018.

During 2018, the trusts entered into revolving loan agreements with a financial institution. The purpose of the loan agreements is for the trusts to borrow money to purchase life insurance policies. The Organization is a pledger/debtor in the loan agreements. The Organization has granted to the financial institution a security interest in an investments account and the assets therein the account. A receivable from the trusts and a corresponding liability for the guarantee was recorded in the amount of \$7,100,270 as of December 31, 2019 and 2018.

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets with donor restrictions are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Net Assets With Donor Restrictions - Purpose:		
Partners for Human Rights	\$ 6,533,162	\$ 5,255,128
Endowment Fund	38,935	(104,891)
Speak Truth to Power	998,689	1,927,056
RFK Legacy	<u>1,079,162</u>	<u>1,106,836</u>
Net Assets With Donor Restrictions - Purpose	8,649,948	8,184,129
Net Assets With Donor Restrictions - Time:		
Leadership Council	1,282,269	238,152
RFK United Kingdom	-	38,104
RFK Young Leaders	-	11,714
Charitable Remainder Trust	<u>29,255,291</u>	<u>23,715,176</u>
Total Net Assets with Donor Restrictions - Time	<u>30,537,560</u>	<u>24,003,146</u>
Total	<u>\$ 39,187,508</u>	<u>\$ 32,187,275</u>

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**NOTE 9 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 accounting principles generally accepted in the United States of America, 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 net assets with donor restrictions - perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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 net assets with donor restrictions - perpetuity is classified as net assets with donor restrictions - time and purpose 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 stock, U.S. treasury securities, and bonds.

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



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**NOTE 9 ENDOWMENTS (CONTINUED)**

**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 U.S. Consumer Price Index by 4% and that average rates of investment returns shall approximate seven to 9% 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 4%. 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, U. S. treasury securities, 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 9 ENDOWMENTS (CONTINUED)**

The endowment net assets and activity consisted of the following for December 31, 2019 and 2018:

	Without Donor Restrictions	With Donor Restrictions - Time and Purpose	With Donor Restrictions - Perpetuity	Total
Endowment Fund as of December 31, 2017	\$ -	\$ 51,129	\$ 1,591,506	\$ 1,642,635
Contributions	-	-	91,918	91,918
Contributions Receivable Payment Received	-	-	38,104	38,104
Earnings:				
Interest and Dividends	-	51,524	-	51,524
Realized Gain	-	3,995	-	3,995
Unrealized Loss	-	(134,141)	-	(134,141)
Investment Advisory Fees	-	(8,537)	-	(8,537)
	-	(87,159)	-	(87,159)
Appropriations	-	(68,861)	-	(68,861)
Endowment Fund as of December 31, 2018		(104,891)	1,721,528	1,616,637
Contributions	-	-	2,235	2,235
Contributions Receivable Payment Received	-	-	67,765	67,765
Earnings:				
Interest and Dividends	-	50,113	-	50,113
Realized Loss	-	(1,533)	-	(1,533)
Unrealized Gain	-	176,432	-	176,432
Investment Advisory Fees	-	(9,525)	-	(9,525)
	-	215,487	-	215,487
Appropriations	-	(71,661)	-	(71,661)
Endowment Fund as of December 31, 2019	<u>\$ -</u>	<u>\$ 38,935</u>	<u>\$ 1,791,528</u>	<u>\$ 1,830,463</u>
Endowment Fund - December 31, 2018			\$ 1,721,528	
Contributions Receivable			664,617	
Net Assets With Donor Restrictions - Perpetuity - December 31, 2018			<u>\$ 2,386,145</u>	
Endowment Fund - December 31, 2019			\$ 1,791,528	
Contributions Receivable			469,745	
Net Assets With Donor Restrictions - Perpetuity - December 31, 2019			<u>\$ 2,261,273</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 accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in net assets without donor restrictions. There was no such deficiency as of December 31, 2019. There was a deficiency of \$104,891 as of December 31, 2018.

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**NOTE 10 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, 2019 and 2018, were \$835,348 and \$883,452, respectively. The in-kind donations benefited the following activities for the years ended December 31:

	2019	2018
Program Services	\$ 17,079	\$ 555,953
Management and General	455,000	44,000
Fund-Raising	363,269	283,499
Total	\$ 835,348	\$ 883,452

**NOTE 11 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 7% 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, 2019 and 2018, was \$183,226 and \$165,635, respectively.

**NOTE 12 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 expired on April 30, 2019. In March 2018, the Organization executed an amendment to the lease which will extend the office lease. Under the terms of the amendments, the expiration date of the lease will be the last day of the 90th full calendar month following the extended term commencement date as defined in the amendment and the Organization will be obligated to pay an average of \$23,160 per month over the 90 month extended lease term. As part of the lease, the Organization received five months of free rent. This rent abatement, as well as any stated rent increase with 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 12 LEASE COMMITMENTS (CONTINUED)**

Total rent expense for the years ended December 31, 2019 and 2018, was \$548,040 and \$525,933, respectively. Aggregate minimum annual rental payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 559,429
2021	565,937
2022	572,608
2023	586,909
2024	604,392
Thereafter	929,898
Total	<u>\$ 3,819,173</u>

**NOTE 13 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 approximately \$500,000 and \$550,000 to this employee for the years ended December 31, 2019 and 2018, respectively.

**NOTE 14 COMMITMENTS**

**Hotel Commitments**

The Organization has entered into agreements with various hotels for meeting facilities, catering, and accommodations for conferences through 2020. Many of the agreements contain a clause whereby the Organization is liable for liquidated damages in the event of cancellation.

**Line of Credit**

The Organization has a \$1,500,000 line of credit with First Republic Bank. The line is collateralized by the Organization's investments currently at a conversation 25% LTV. The line matures on July 15, 2020 and is extended annually after positive review. The line accrues interest at a variable rate based on the 1-month London Interbank Offered Rate (LIBOR) rate plus a spread of 1.75% per annum, rounded up to the nearest one-eighth of 1%, subject to a floor rate of 1.50% per annum. As of December 31, 2019 and 2018, the balance owed is \$0 and there is not a non-usage or annual fee.

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 nonextension 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 15 SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 7, 2020, the date the financial statements were available to be issued.

Subsequent to year end, a pandemic of the Corona Virus (COVID-19) was declared by the World Health Organization. Future events and revenues and expenses of the Organization are uncertain due to the potential impact on travel. This could also impact transactions relating to customers and vendors. In addition, both domestic and international equity markets have experienced significant declines since December 31, 2019. As of July 7, 2020, the amount and likelihood of loss relating to these events is not determined.