

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
FINANCIAL STATEMENTS
YEARS ENDED APRIL 30, 2017 AND 2016

TABLE OF CONTENTS

PAGE NO.

INDEPENDENT AUDITORS' REPORT3

FINANCIAL STATEMENTS

Statements of Financial Position.....4

Statements of Activities5

Statements of Cash Flows6

Notes to Financial Statements.....7

SUPPLEMENTARY INFORMATION

Schedule of Functional Expenses11

10025 Governor Warfield Parkway
Suite 108
Columbia, MD 21044

Phone: 410-772-8090
Fax: 410-772-8098
Toll Free: 888-432-2351

BGCKO

Betz, Goldman, Clearfield, Kramer & Ocampo, LLP

Certified Public Accountants

E-Mail: Info@bgckocpa.com
www.bgckocpa.com

Stuart I. Goldman, CPA
sgoldman@bgckocpa.com
Adam M. Clearfield, CPA
aclearfield@bgckocpa.com
Michael J. Ocampo, CPA
mocampo@bgckocpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Human & Civil Rights Organizations of America
Salem, MA

We have audited the accompanying financial statements of Human & Civil Rights Organizations of America (a non-profit organization), which comprise the statements of financial position as of April 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Human & Civil Rights Organizations of America as of April 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

Betz, Goldman, Clearfield, Kramer & Ocampo, LLP
Columbia, MD
January 17, 2018

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 215,904	\$ 259,762
Accounts Receivable	75,671	90,259
Pledges Receivable (Net of Estimated Uncollectible Pledges of \$84,224 and \$128,320)	351,956	547,635
Prepaid Expenses	7,153	6,801
Property and Equipment (Net)	1,564	2,893
Security Deposit	<u>2,333</u>	<u>2,333</u>
TOTAL ASSETS	<u>\$ 654,581</u>	<u>\$ 909,683</u>
LIABILITIES		
Accounts Payable	\$ 19,689	\$ 6,122
Grants Payable	423,152	661,248
Accrued Payroll	-	10,500
Payroll Liabilities	<u>11,307</u>	<u>9,648</u>
TOTAL LIABILITIES	<u>454,148</u>	<u>687,518</u>
NET ASSETS	<u>200,433</u>	<u>222,165</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 654,581</u>	<u>\$ 909,683</u>

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

**HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
STATEMENTS OF ACTIVITIES
YEARS ENDED APRIL 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CHANGES IN UNRESTRICTED NET ASSETS		
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT		
Contributions	\$ 371,493	\$ 601,155
Program Service Fees	<u>582,409</u>	<u>598,443</u>
TOTAL UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT	<u>953,902</u>	<u>1,199,598</u>
EXPENSES		
Management	62,955	60,417
Program	<u>912,679</u>	<u>1,125,325</u>
TOTAL EXPENSES	<u>975,634</u>	<u>1,185,742</u>
INCREASE (DECREASE) IN NET ASSETS	(21,732)	13,856
NET ASSETS - BEGINNING	<u>222,165</u>	<u>208,309</u>
NET ASSETS - ENDING	<u>\$ 200,433</u>	<u>\$ 222,165</u>

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

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
STATEMENTS OF CASH FLOWS
YEARS ENDED APRIL 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Unrestricted Net Assets	\$ (21,732)	\$ 13,856
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	1,329	1,329
(Increase) Decrease in:		
Accounts Receivable	14,588	(9,565)
Pledges Receivable	195,679	30,513
Prepaid Expenses	(352)	3,061
Increase (Decrease) in:		
Accounts Payable	13,567	3,336
Grants Payable	(238,096)	(56,292)
Accrued Payroll	(10,500)	7,270
Payroll Liabilities	<u>1,659</u>	<u>(866)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(43,858)</u>	<u>(7,358)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(43,858)	(7,358)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>259,762</u>	<u>267,120</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 215,904</u>	<u>\$ 259,762</u>

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

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017 AND 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Human & Civil Rights Organizations of America was incorporated under the laws of California as a non-profit organization and is exempt from income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

The Organization's Return of Organization Exempt from Income Tax (Form 990) for the years ended April 30, 2017, 2016 and 2015 are subject to examination, generally for three years after they were filed.

The Organization's primary purpose is to assist other tax-exempt organizations in participating in workplace fundraising drives such as the U.S. Government's Combined Federal Campaign. The Organization screens applications for such drives, assists with the transfer of funds from donors to the benefiting groups, educates the staff and volunteers of these groups so that they better understand workplace giving programs, and assists in the marketing of such groups to potential donors.

Subsequent Events:

In the normal course of preparing the Organization's financial statements, management reviews events that occur after the statement of financial position dated April 30, 2017 for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through January 17, 2018, which is the date the financial statements were available to be issued.

Method of Accounting:

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

Use of Estimates:

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

Cash and Cash Equivalents:

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

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017 AND 2016
(CONTINUED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation:

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

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

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

Property and Equipment:

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

	<u>YEARS</u>
Leasehold Improvements	15
Equipment	5

NOTE B – DISTRIBUTIONS TO MEMBER CHARITIES

The Organization distributes to each member charity a percentage of the actual receipts proportionate to the designations donors made to that member charity.

NOTE C – COMMITMENTS

The Organization entered into an agreement to lease office space until November 2017. The following is a schedule of minimum rental payments as of April 30, 2017:

<u>Year Ending April 30</u>	<u>Amount</u>
2018	\$ <u>19,688</u>

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2017 AND 2016
(CONTINUED)

NOTE D – PROPERTY AND EQUIPMENT, NET

Major classifications of property and equipment are summarized as follows:

	<u>2017</u>	<u>2016</u>
Leasehold Improvements	\$ 1,945	\$ 1,945
Equipment	<u>5,995</u>	<u>5,995</u>
	7,940	7,940
Less: Accumulated Depreciation	<u>6,376</u>	<u>5,047</u>
	<u>\$ 1,564</u>	<u>\$ 2,893</u>

Total depreciation expense was \$1,329 and \$1,329 for the years ended April 30, 2017 and 2016, respectively.

**SUPPLEMENTARY
INFORMATION**

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED APRIL 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>MANAGEMENT</u>	<u>PROGRAM</u>	<u>2017</u> <u>TOTAL</u>	<u>2016</u> <u>TOTAL</u>
Bank Charges	\$ 438	\$ 3,939	\$ 4,377	\$ 4,076
Depreciation	253	1,076	1,329	1,329
Dues and Subscriptions	8	185	193	87
Employee Benefits	1,925	18,886	20,811	18,375
Filing Fees	-	10,801	10,801	1,392
Grants	-	389,184	389,184	612,141
Insurance	2,511	-	2,511	3,417
Office Expenses	1,118	7,485	8,603	6,875
Postage	253	2,277	2,530	4,375
Professional Fees	9,000	31,002	40,002	49,008
Rent	4,953	28,068	33,021	31,771
Salaries	38,047	373,271	411,318	397,904
Taxes - Payroll	3,173	31,125	34,298	31,428
Telephone and Web	1,276	11,484	12,760	18,255
Travel	-	3,896	3,896	5,309
	<u>\$ 62,955</u>	<u>\$ 912,679</u>	<u>\$ 975,634</u>	<u>\$ 1,185,742</u>

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