

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
FINANCIAL STATEMENTS
YEARS ENDED APRIL 30, 2018 AND 2017

TABLE OF CONTENTS

PAGE NO.

INDEPENDENT AUDITORS' REPORT.....3

FINANCIAL STATEMENTS

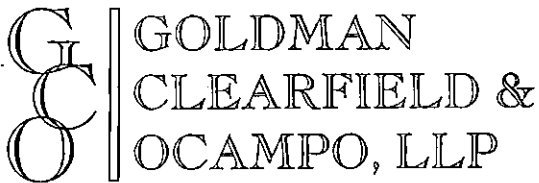
 Statements of Financial Position 4

 Statements of Activities..... 5

 Statements of Functional Expenses. 6

 Statements of Cash Flows 7

 Notes to Financial Statements 8



Adam M. Clearfield, CPA
aclearfield@gcocpafirm.com

Michael J. Ocampo, CPA
mocampo@gcocpafirm.com

Stuart I. Goldman, CPA (Ret.)

CERTIFIED PUBLIC ACCOUNTANTS

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, 2018 and 2017, and the related statements of activities, functional expenses 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Human & Civil Rights Organizations of America as of April 30, 2018 and 2017, 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.

Goldman, Clearfield & Ocampo, LLP.

Columbia, MD
November 28, 2018

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 212,921	\$ 215,904
Accounts Receivable	94,179	75,671
Pledges Receivable (Net of Estimated Uncollectible Pledges of \$59,386 and \$84,224)	283,691	351,956
Prepaid Expenses	5,516	7,153
Property and Equipment (Net)	-	1,564
Security Deposit	-	2,333
TOTAL ASSETS	<u>\$ 596,307</u>	<u>\$ 654,581</u>
 LIABILITIES		
Accounts Payable & Accrued Expenses	\$ 44,382	\$ 19,689
Grants Payable	384,509	423,152
Payroll Liabilities	11,352	11,307
TOTAL LIABILITIES	<u>440,243</u>	<u>454,148</u>
 NET ASSETS		
Without Donor Restrictions	<u>156,064</u>	<u>200,433</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 596,307</u>	<u>\$ 654,581</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, 2018 AND 2017**

	<u>WITHOUT DONOR RESTRICTIONS</u>	
	<u>2018</u>	<u>2017</u>
REVENUES, LOSSES AND OTHER SUPPORT		
Contributions	\$ 323,690	\$ 408,739
Program Service Fees	566,533	545,163
Loss on Disposal of Assets	<u>(1,167)</u>	<u>-</u>
TOTAL REVENUES, LOSSES AND OTHER SUPPORT	<u>889,056</u>	<u>953,902</u>
EXPENSES		
Management	60,410	62,955
Program	<u>873,015</u>	<u>912,679</u>
TOTAL EXPENSES	<u>933,425</u>	<u>975,634</u>
DECREASE IN NET ASSETS	(44,369)	(21,732)
NET ASSETS - BEGINNING	<u>200,433</u>	<u>222,165</u>
NET ASSETS - ENDING	<u>\$ 156,064</u>	<u>\$ 200,433</u>

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

**HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED APRIL 30, 2018 AND 2017**

	<u>2018</u>		
	<u>MANAGEMENT</u>	<u>PROGRAM</u>	<u>TOTAL</u>
Bank Charges	\$ 416	\$ 3,742	\$ 4,158
Depreciation	75	322	397
Dues and Subscriptions	7	156	163
Employee Benefits	2,094	20,547	22,641
Filing Fees	-	52,173	52,173
Grants	-	322,610	322,610
Insurance	894	-	894
Office Expenses	740	4,956	5,696
Postage	337	3,029	3,366
Professional Fees	7,500	6,548	14,048
Rent	3,629	20,567	24,196
Salaries	39,888	391,338	431,226
Taxes - Payroll	3,563	34,953	38,516
Telephone and Web	1,267	11,402	12,669
Travel	-	672	672
	<u>\$ 60,410</u>	<u>\$ 873,015</u>	<u>\$ 933,425</u>

	<u>2017</u>		
	<u>MANAGEMENT</u>	<u>PROGRAM</u>	<u>TOTAL</u>
Bank Charges	\$ 438	\$ 3,939	\$ 4,377
Depreciation	253	1,076	1,329
Dues and Subscriptions	8	185	193
Employee Benefits	1,925	18,886	20,811
Filing Fees	-	10,801	10,801
Grants	-	389,184	389,184
Insurance	2,511	-	2,511
Office Expenses	1,118	7,485	8,603
Postage	253	2,277	2,530
Professional Fees	9,000	31,002	40,002
Rent	4,953	28,068	33,021
Salaries	38,047	373,271	411,318
Taxes - Payroll	3,173	31,125	34,298
Telephone and Web	1,276	11,484	12,760
Travel	-	3,896	3,896
	<u>\$ 62,955</u>	<u>\$ 912,679</u>	<u>\$ 975,634</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, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Unrestricted Net Assets	\$ (44,369)	\$ (21,732)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Loss on Disposal of Assets	1,167	-
Depreciation	397	1,329
(Increase) Decrease in:		
Accounts Receivable	(18,508)	14,588
Pledges Receivable	68,265	195,679
Prepaid Expenses	1,637	(352)
Security Deposit	2,333	-
Increase (Decrease) in:		
Accounts Payable	24,693	13,567
Grants Payable	(38,643)	(238,096)
Accrued Payroll	-	(10,500)
Payroll Liabilities	45	1,659
	<u>(2,983)</u>	<u>(43,858)</u>
NET CASH USED BY OPERATING ACTIVITIES		
	<u>(2,983)</u>	<u>(43,858)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	<u>(2,983)</u>	<u>(43,858)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>215,904</u>	<u>259,762</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 212,921</u>	<u>\$ 215,904</u>

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

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Human & Civil Rights Organizations of America was incorporated under the laws of Maryland 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 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.

Income Taxes:

The Organization's Return of Organization Exempt from Income Tax (Form 990) for the years ended April 30, 2018, 2017 and 2016 are subject to examination, generally, for three years after they were filed.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization does not have any income from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

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, 2018 for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through November 28, 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.

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017
(CONTINUED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year presentation.

Pledges Receivable:

Pledges Receivable have been reviewed by management and considered fully collectible.

Financial Statement Presentation:

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

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Human & Civil Rights Organizations of America’s management and board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Human & Civil Rights Organizations of America or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

New Accounting Pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Human & Civil Rights Organizations of America has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017
(CONTINUED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 – AVAILABILITY AND LIQUIDITY

As of April 30, 2018, Human & Civil Rights Organizations of America has \$590,791 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash of \$212,921, accounts receivable of \$94,179 and pledges receivable of \$283,691. As of April 30, 2017, Human & Civil Rights Organizations of America has \$643,531 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash of \$215,904, accounts receivable of \$75,671 and pledges receivable of \$351,956. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The receivables are subject to implied time restrictions but are expected to be collected within one year. Human & Civil Rights Organizations of America's goal is generally to maintain financial assets to meet 30 days' worth of operating expenses.

NOTE C – FUNCTIONAL EXPENSES

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among management and program services benefited. Such allocations are determined by management on an equitable basis.

NOTE D – 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 E – COMMITMENTS

The Organization entered into a tenancy at will agreement to rent office space for a monthly fee of \$1,000, beginning on February 15, 2018. Per the terms of the agreement, with 60 days notification either party can terminate the tenancy.

HUMAN & CIVIL RIGHTS ORGANIZATIONS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2018 AND 2017
(CONTINUED)

NOTE F – PROPERTY AND EQUIPMENT, NET

Major classifications of property and equipment are summarized as follows:

	<u>2018</u>	<u>2017</u>
Leasehold Improvements	\$ -	\$ 1,945
Equipment	<u>-</u>	<u>5,995</u>
	-	7,940
Less: Accumulated Depreciation	<u>-</u>	<u>6,376</u>
	<u>\$ -</u>	<u>\$ 1,564</u>

Total depreciation expense was \$397 and \$1,329 for the years ended April 30, 2018 and 2017, respectively.