

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL  
RIGHTS  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2013 & 2012**

**Bradley P. Mickelson, CPA**

5237 Miller Trunk Highway, Ste. 106 • Hermantown, MN 55811 • ph 218-260-6943 • fax 866-381-8259

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL  
RIGHTS**

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# **Bradley P. Mickelson, CPA**

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## **INDEPENDENT AUDITOR'S REPORT**

June 30, 2014

To the Board of Directors  
The Global Initiative for Economic, Social and Cultural Rights  
Duluth, Minnesota

I have audited the accompanying financial statements of the Global Initiative for Economic, Social and Cultural Rights, (a nonprofit organization), which comprise the statement of financial position of as of December 31, 2013, and the related statements of activities and cash flows for the year 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Global Initiative for Economic, Social and Cultural Rights, as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Bradley P Mickelson CPA*

Bradley P. Mickelson, CPA

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2013 & 2012**

<u>Assets</u>	<u>2013</u>	<u>2012</u>
<u>Current Assets:</u>		
Cash and cash equivalents	\$ 164,223	\$ 167,588
Accounts receivable		
Prepaid expenses		
Total Current Assets	<u>\$ 164,223</u>	<u>\$ 168,588</u>
<u>Property and Equipment:</u>		
Furniture and equipment	\$ 12,668	\$ 1,208
Less: Accumulated depreciation	( 2,121)	( 242)
Total Property and equipment	<u>\$ 10,547</u>	<u>\$ 966</u>
Total Assets	<u>\$ 174,770</u>	<u>\$ 168,554</u>
 <u>Liabilities and Fund Balance</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$	\$
Total Current Liabilities	<u>\$</u>	<u>\$</u>
Total Liabilities	<u>\$</u>	<u>\$</u>
<u>Net Assets:</u>		
Unrestricted	\$ 20,195	\$ 3,994
Temporarily restricted	154,575	164,560
Permanently restricted		
Total Net Assets	<u>\$ 174,770</u>	<u>\$ 168,554</u>
Total Liabilities and Net Assets	<u>\$ 174,770</u>	<u>\$ 168,554</u>

See accompanying notes and independent auditor's report.

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS**  
**STATEMENT OF ACTIVITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 & 2012**

	<u>2013</u>	<u>2012</u>
<u>Unrestricted Net Assets:</u>		
Unrestricted revenues and gains		
Contributions and Grants	\$ 8,646	\$ 2,632
Interest	<u>97</u>	<u>41</u>
Total Unrestricted Revenues and Gains	\$ 8,743	\$ 2,673
Net assets released from restrictions		
Restrictions satisfied by payments	<u>327,443</u>	<u>195,148</u>
Total Unrestricted Revenues, Gains and Other Support	\$ <u>336,186</u>	\$ <u>197,821</u>
 Expenses:		
Program Services	\$ 297,831	\$ 180,095
Management and general	<u>22,154</u>	<u>13,733</u>
Total Expenses	\$ <u>319,985</u>	\$ <u>193,828</u>
 Increase (Decrease) in Unrestricted Net Assets	 \$ <u>16,201</u>	 \$ <u>3,993</u>
<u>Temporarily Restricted Net Assets:</u>		
Grants and Contributions		
Grants	\$ 317,458	\$ 352,540
Other contributions	-	-
Net Assets released from restrictions		
Restrictions satisfied by payments	\$( <u>327,443</u> )	\$( <u>195,148</u> )
 Increase (Decrease) in Temporarily Restricted Net Assets	 \$( <u>9,985</u> )	 \$ <u>157,392</u>
 Increase (Decrease) in Net Assets	 \$ 6,216	 \$ 161,385
Net Assets at Beginning of Year	<u>168,554</u>	<u>7,169</u>
Net Assets at End of Year	<u>\$ 174,770</u>	<u>\$ 168,554</u>

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 & 2012**

	<u>2013</u>	<u>2012</u>
<u>Cash Flows From Operating Activities:</u>		
Increase (decrease) in net assets	\$ 6,216	\$ 160,419
<u>Adjustments to reconcile increase in net assets to net cash flows provided by operating activities:</u>		
Depreciation	1,879	242
(Increase) decrease in operating assets:		
Prepaid expense		
Accounts receivable		
Increase (decrease) in operating liabilities:		
Accounts payable		
Accrued Wages		
Accrued interest payable		
Net Cash Provided by Operating Activities	<u>\$ 8,095</u>	<u>\$ 161,627</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of equipment	( 11,460)	( 1,208)
Sales of equipment		
Net Cash Provided (Used) by Investing Activities	<u>(\$ 11,460)</u>	<u>(\$ 1,208)</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds from increase of long-term debt		
Principal payments on long-term debt	( )	( )
Net Cash Provided (Used) by Financing Activities	<u>\$</u>	<u></u>
Net Increase (Decrease) in Cash	\$( 3,365)	\$ 160,419
Cash and Cash Equivalents Beginning of Year	<u>167,588</u>	<u>7,169</u>
Cash and Cash Equivalents End of Year	<u>\$ 164,223</u>	<u>\$ 167,588</u>

There were no non-cash investing and financing activities in 2012.

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES**

The Global Initiative for Economic, Social and Cultural Rights (the Organization) is a human rights advocacy (non-governmental) organization which works to promote and protect economic, social and cultural rights, as well as rights related to development and the environment, through strategic litigation, other forms of human rights advocacy, research and drafting of reports, capacity building workshops, and networking and partnering with similar organizations.

**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.

**PROPERTY AND EQUIPMENT**

It is the Organization's policy to capitalize equipment purchases with a cost of \$200 or greater. Lesser amounts are expensed.

**FINANCIAL STATEMENT PRESENTATION**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**CONTRIBUTIONS**

Under SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of donor restrictions.

**INCOME TAXES**

The organization is exempt from income tax as a charitable organization under section 501(c)(3) of the Internal Revenue Service Code and is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Service Code.

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES,  
continued**

**ACCOUNTING POLICIES**

Assets, liabilities, revenues and expenses are recognized on the accrual method of accounting.

**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 six months or less to be cash equivalents.

**NOTE B - TEMPORARILY RESTRICTED NET ASSETS**

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Grants and contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as temporarily restricted support.

Temporarily restricted net assets as of December 31, 2013 were as follows:

Grantor	Purpose	Amount
Foundation to Promote Open Society	strategic convening to combat women's land and property rights violations in Africa	\$ 1,506
Foundation to Promote Open Society	convening a thematic briefing with United Nations committee to combat women's land and property rights violations	10
Foundation to Promote Open Society	to combat women's land and property rights violations through advocacy and norm setting	24,985

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE B - TEMPORARILY RESTRICTED NET ASSETS, continued**

Grantor	Purpose	Amount
Anonymous	advancing women's land and property rights in Africa through regional and international advocacy	67,425
Anonymous	strategic litigation and legal advocacy	<u>\$ 60,649</u>
Total		<u>\$154,575</u>

**NOTE C - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of December 31, were as follows:

	<u>2013</u>	<u>2012</u>
Checking account – Wells Fargo	\$ 4,021	\$ 2,302
Savings account – Wells Fargo	<u>160,202</u>	<u>165,286</u>
Total Cash and Cash Equivalents	<u>\$ 164,223</u>	<u>\$ 167,588</u>

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment is depreciated over its estimated useful life between five and twenty-five years using the straight line method. Property and equipment consisted of the following as of December 31, 2012:

	<u>2013</u>	<u>2012</u>
Office equipment	1,208	1,208
Furniture & fixtures	11,460	
Accumulated depreciation	<u>( 2,121)</u>	<u>( 242)</u>
Total property and equipment, net of depreciation	<u>\$ 10,547</u>	<u>\$ 966</u>

**NOTE E – LONG-TERM DEBT**

The Organization's had no long-term debt at December 31, 2013 or December 31, 2012.

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE F – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE H – FEDERAL FINANCIAL ASSISTANCE**

No federal grant funds were received during the years ended December 31, 2013 or December 31 2012.

**NOTE I – JOINT PROJECT AGREEMENTS**

During the years ended December 31, 2013 and 2012, the Organization entered into three joint project agreements in order to partner with other organizations to accomplish specific grant goals. All agreements further the goals of advancing women's land and property rights in Africa through regional and international advocacy.

Joint project agreement (\$75,000), with The Initiative for Gender Equality and Development in Africa. This project seeks to advance women's land and property rights by strengthening the normative framework protecting these rights, specifically as provided by the African Commission on Human and Peoples' Rights.

Joint project agreement (\$25,000), with the Federation of Women Lawyers – Kenya. This agreement establishes the responsibilities for a joint project on advancing women's land and property rights in Kenya through international advocacy.

Joint project agreement (\$10,000), with Positive Generation. This project was to conduct original research on that status of women's land and property rights in Cameroon and to prepare a joint shadow report on the status of women's land and property rights in Cameroon.

## **SUPPLEMENTARY INFORMATION**

## **Bradley P. Mickelson, CPA**

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June 30, 2014

To the Board of Directors  
The Global Initiative for Economic, Social and Cultural Rights  
Duluth, Minnesota

My examination of the basic financial statements of The Global Initiative for Economic, Social and Cultural Rights for the year ended December 31, 2013, appears on page (1). The examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the examination of the basic financial statements and, accordingly, I express no opinion on them.

*Bradley P. Mickelson*

Bradley P. Mickelson, CPA

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 & 2012**

	<u>2013</u>			<u>2012</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Total</u>
Wages, Taxes & related expenses	\$ 199,271	\$ -	\$ 199,271	\$ 65,175
Total Compensation	\$ 199,271	\$ -	\$ 199,271	\$ 65,175
Flights and transportation	31,083	-	31,083	21,759
Accommodations	16,961	-	16,961	8,288
Meals and per diem	14,223	-	14,223	5,773
Committees, conferences and meetings	1,195	-	1,195	3,551
Joint project costs	35,098	-	35,098	75,000
Occupancy	-	11,253	11,253	5,076
Internet	-	1,260	1,260	1,092
Website	-	-	-	3,500
Office supplies	-	2,244	2,244	1,506
Communications and publications	-	3,281	3,281	2,168
Depreciation	-	1,879	1,879	242
Wire transfer and bank fees	-	686	686	149
Miscellaneous	-	1,550	1,550	549
	<u>-</u>	<u>1,550</u>	<u>1,550</u>	<u>549</u>
Total Expenses	\$ 297,831	\$ 22,154	\$ 319,985	\$ 193,828

See accompanying notes and independent auditor's report.