

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL
RIGHTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2016 & 2015**

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

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INDEPENDENT AUDITOR'S REPORT

August 6, 2017

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, 2016 and December 31, 2015, and the related statements of activities 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.

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, 2016 and December 31, 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Bradley P Mickelson CPA

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THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016 & 2015

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
<u>Current Assets:</u>		
Cash and cash equivalents	\$ 250,496	\$ 311,461
Grants receivable		
Prepaid expenses		
Total Current Assets	<u>\$ 250,496</u>	<u>\$ 311,461</u>
<u>Property and Equipment:</u>		
Furniture and equipment	\$ 14,582	\$ 14,582
Less: Accumulated depreciation	(8,359)	(6,302)
Total Property and equipment	<u>\$ 6,223</u>	<u>\$ 8,280</u>
Total Assets	<u>\$ 256,719</u>	<u>\$ 319,741</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	\$ 75,834	\$ 50,684
Temporarily restricted	180,885	269,057
Permanently restricted		
Total Net Assets	<u>\$ 256,719</u>	<u>\$ 319,741</u>
Total Liabilities and Net Assets	<u>\$ 256,719</u>	<u>\$ 319,741</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, 2016 & 2015

	<u>2016</u>	<u>2015</u>
<u>Unrestricted Net Assets:</u>		
Unrestricted revenues and gains		
Contributions and Grants	\$ 56,826	\$ 13,759
Interest	79	56
Total Unrestricted Revenues and Gains	\$ 56,905	\$ 13,815
Net assets released from restrictions		
Restrictions satisfied by payments	544,638	452,469
Total Unrestricted Revenues, Gains and Other Support	\$ 601,543	\$ 466,284
Expenses:		
Program Services	\$ 539,395	\$ 426,227
Management and general	37,098	26,429
Total Expenses	\$ 576,493	\$ 452,656
Increase (Decrease) in Unrestricted Net Assets	\$ 25,050	\$ 13,628
<u>Temporarily Restricted Net Assets:</u>		
Grants and Contributions		
Grants	\$ 456,566	\$ 538,132
Other contributions	-	-
Net Assets released from restrictions		
Restrictions satisfied by payments	\$(544,638)	\$(452,469)
Increase (Decrease) in Temporarily Restricted Net Assets	\$(88,072)	\$ 85,663
Increase (Decrease) in Net Assets	\$(63,022)	\$ 99,291
Net Assets at Beginning of Year	319,741	220,450
Net Assets at End of Year	\$ 256,719	\$ 319,741

See accompanying notes and independent auditor's report.

THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 & 2015

	<u>2016</u>	<u>2015</u>
<u>Cash Flows From Operating Activities:</u>		
Increase (decrease) in net assets	\$(63,022)	\$ 99,291
<u>Adjustments to reconcile increase in net assets to net cash flows provided by operating activities:</u>		
Depreciation	2,057	2,302
(Increase) decrease in operating assets:		
Prepaid expense		
Grants receivable		12,900
Increase (decrease) in operating liabilities:		
Accounts payable		
Accrued Wages		
Accrued interest payable		
Net Cash Provided by Operating Activities	<u>\$(60,965)</u>	<u>\$ 114,493</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of equipment	()	(1,914)
Sales of equipment		
Net Cash Provided (Used) by Investing Activities	<u>\$()</u>	<u>\$(1,914)</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	\$(60,965)	\$ 112,579
Cash and Cash Equivalents Beginning of Year	<u>311,461</u>	<u>198,882</u>
Cash and Cash Equivalents End of Year	<u>\$ 250,496</u>	<u>\$ 311,461</u>

There were no non-cash investing and financing activities in 2016 or 2015.

See accompanying notes and independent auditor's report.

THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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. With few exceptions, the organization is no longer subject to federal, state or local income tax examinations for years prior to 2014.

**THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

**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, 2016 were as follows:

Grantor	Purpose	Amount
Open Society Institute	advancing international human rights advocacy on privatization and its impact on the right to education	\$ 87,316
Anonymous	complete gaps in further advocacy related to the human rights impact of privatization, furthering the development of human rights guidelines	\$ 24,455

THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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; and strategic litigation and legal advocacy	\$ 69,114
Total		<u>\$ 180,885</u>

NOTE C - CASH AND CASH EQUIVALENTS

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

	2016	2015
Checking account – Wells Fargo	\$ 29,017	\$ 12,973
Savings account – Wells Fargo	<u>221,479</u>	<u>298,488</u>
Total Cash and Cash Equivalents	<u>\$ 250,496</u>	<u>\$ 344,461</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:

	2016	2015
Office equipment	\$ 3,122	\$ 3,122
Furniture & fixtures	11,460	11,460
Accumulated depreciation	<u>(8,359)</u>	<u>(6,302)</u>
Total property and equipment, net of depreciation	<u>\$ 6,223</u>	<u>\$ 8,280</u>

NOTE E – LONG-TERM DEBT

The Organization's had no long-term debt at December 31, 2016 or December 31, 2015.

THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016 or December 31 2015.

NOTE I – JOINT PROJECT AGREEMENTS

During the years ended December 31, 2016 and 2015, the Organization entered into 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 (\$50,000), with the Initiative for Gender Equity & Development – Africa. This agreement establishes the responsibilities for a joint project on advancing womens' land and property rights in Africa through regional and national advocacy.

Joint project agreement (\$3,000), with Action Aid Burundi. This project seeks to popularize and raise awareness about the recent Concluding Observations on Burundi from the UN Committee on Economic, Social and Cultural Rights (2015) which uphold women's land and property rights in Burundi.

Joint project agreement (\$2,000), with FIDA-Kenya. This project seeks to popularize and raise awareness about the recent Concluding Observations on Kenya from the UN Committee on Economic, Social and Cultural Rights (2016) which uphold women's land and property rights in Kenya.

Joint project agreement (\$2,000), with FIDA-Kenya. This project seeks to advance women's land and property rights at the 57th session of the UN Committee on Economic, Social and Cultural Rights.

Joint project agreement (\$13,900), with Defend Job. This project seeks to document and advocate on behalf of women's land and property rights in the Philippines.

Joint project agreement (\$50,000), with the Initiative for Gender Equity & Development – Africa. This agreement establishes the responsibilities for a joint project on implementing the advisory activities related to the African Commission on Human and Peoples' Rights.

THE GLOBAL INITIATIVE FOR ECONOMIC, SOCIAL AND CULTURAL RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE J – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 6, 2017, the date which the financial statements were available to be issued.

Bradley P. Mickelson, CPA

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August 6, 2017

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 years ended December 31, 2016 and December 31, 2015, 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, 2016 & 2015

	2016		2015	
	Program Services	Management and General	Total	Total
Wages, Taxes & related expenses	\$ 375,849	\$ -	\$ 375,849	\$ 345,374
Total Compensation	\$ 375,849	\$ -	\$ 375,849	\$ 345,374
Consultants	1,595	-	1,595	25,295
Travel	50,390	-	50,390	51,580
Committee, conferences and meetings	26,922	-	26,922	56,895
Joint project costs	71,512	-	71,512	30,081
Occupancy	-	25,238	25,238	15,765
Office supplies	-	1,479	1,479	1,914
Communications and publications	12,127	3,847	15,974	12,576
Depreciation	-	2,057	2,057	2,502
Wire transfer and bank fees	-	1,444	1,444	1,264
Miscellaneous	12,000	4,033	16,033	3,800
Total Expenses	\$ 539,545	\$ 27,098	\$ 576,493	\$ 452,656

SUPPLEMENTARY INFORMATION