

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

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**



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**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
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YEAR ENDED DECEMBER 31, 2020**

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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 statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, 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.

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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As described in Note 2, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASU) No. 606, *Revenue Recognition from Contracts with Customers*, in 2020. Our opinion is not modified with respect to this matter.

Additionally, the Organization adopted the FASB issued Accounting Standard Update (ASU) 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 18 to the financial statements, beginning net assets have been adjusted to reflect the correction of error in the prior period financial statements. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Arlington, Virginia
September 28, 2021

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Cash and Cash Equivalents	\$ 4,118,529
Contributions Receivable, Net of Allowance and Discount	4,769,690
Other Receivables	990,182
Prepaid Expenses	63,739
Investments, at Market	17,190,273
Beneficial Interest in Remainder Trust	36,095,337
Other Assets	66,076
Fixed Assets:	
Furniture and Equipment	381,177
Leasehold Improvements	469,971
Software and Website Development	886,082
Total Fixed Assets	<u>1,737,230</u>
Accumulated Depreciation	<u>(776,495)</u>
Fixed Assets, Net	<u>960,735</u>
 Total Assets	 <u><u>\$ 64,254,561</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 917,773
Refundable Advance	20,304
Paycheck Protection Program Loan	750,700
Guarantor Debt to Insurance Trusts	802,701
Deferred Rent	435,597
Total Liabilities	<u>2,927,075</u>

NET ASSETS

Without Donor Restrictions:	
Undesignated	14,243,482
Board-Designated STTP	220,030
Total Without Donor Restrictions	<u>14,463,512</u>
With Donor Restrictions - Time and Purpose	44,598,301
With Donor Restrictions - Perpetuity:	
Human Rights Award	521,831
Partners for Human Rights	1,254,151
General Programs	489,691
Total With Donor Restrictions - Perpetuity	<u>2,265,673</u>
Total Net Assets	<u>61,327,486</u>
 Total Liabilities and Net Assets	 <u><u>\$ 64,254,561</u></u>

See accompanying Notes to Financial Statements.

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions - Time and Purpose	With Donor Restrictions - Perpetuity	Total
REVENUE AND OTHER SUPPORT				
Contributions and Grants	\$ 4,038,201	\$ 8,458,619	\$ 4,400	\$ 12,501,220
Special Events	3,887,014	-	-	3,887,014
Benefits Related to Exchange Transactions	(94,861)	-	-	(94,861)
Other Income	23,489	-	-	23,489
Net Assets Released from Restrictions/ Reclassification:				
Satisfaction of Program Restrictions	2,473,998	(2,473,998)	-	-
Satisfaction of Time Restrictions	729,802	(729,802)	-	-
Total Revenue and Other Support	11,057,643	5,254,819	4,400	16,316,862
EXPENSES				
Program Services:				
Partners for Human Rights	2,240,729	-	-	2,240,729
Speak Truth To Power	1,587,214	-	-	1,587,214
Book and Journalism Awards	117,336	-	-	117,336
RFK Young Leaders	403,497	-	-	403,497
Compass	665,450	-	-	665,450
Communications	1,088,933	-	-	1,088,933
RFK Europe	162,536	-	-	162,536
RFK United Kingdom	252,926	-	-	252,926
RFK Legacy	272,746	-	-	272,746
Total Program Services	6,791,367	-	-	6,791,367
Support Services:				
Management and General	2,394,864	-	-	2,394,864
Fundraising	1,750,408	-	-	1,750,408
Total Support Services	4,145,272	-	-	4,145,272
Total Expenses	10,936,639	-	-	10,936,639
CHANGE IN NET ASSETS BEFORE INVESTMENT INCOME	121,004	5,254,819	4,400	5,380,223
INVESTMENT INCOME				
Interest and Dividends	292,584	34,910	-	327,494
Realized Gain from Sale of Investments, Net of Fees	364,215	43,811	-	408,026
Unrealized Gain on Investments	758,935	91,292	-	850,227
Investment Advisory Fees	(116,714)	(14,039)	-	(130,753)
Total Investment Income	1,299,020	155,974	-	1,454,994
CHANGE IN NET ASSETS	1,420,024	5,410,793	4,400	6,835,217
Net Assets - Beginning of Year, as Previously Reported	13,846,189	39,187,508	2,261,273	55,294,970
Prior Period Adjustment	(802,701)	-	-	(802,701)
Net Assets - Beginning of Year, as Restated	13,043,488	39,187,508	2,261,273	54,492,269
NET ASSETS - END OF YEAR	<u>\$ 14,463,512</u>	<u>\$ 44,598,301</u>	<u>\$ 2,265,673</u>	<u>\$ 61,327,486</u>

See accompanying Notes to Financial Statements.

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Partners for Human Rights	Speak Truth To Power	Book and Journalism Awards	RFK Young Leaders	Compass
Salaries	\$ 786,689	\$ 626,392	\$ 14,135	\$ 198,673	\$ 251,159
Professional and Consultant Fees	96,264	426,818	65,645	40,779	141,100
Employee Benefits and Payroll Taxes	322,082	262,227	6,009	79,204	101,308
Awards, Grants, and Contributions	793,373	-	12,500	10,155	-
Miscellaneous	5,327	23,340	6,044	3,750	11,000
Supplies	310	495	1,423	49	244
Printing, Publications, and Films	20	1,933	389	13	-
Equipment Purchases, Repairs, and Maintenance	1,163	-	-	-	-
Membership Fees and Subscriptions	9,545	981	4,250	-	3,373
Travel	11,965	12,960	-	7,464	16,700
Conferences, Meetings, and Events	1,019	2,723	2,739	8,884	73,827
Occupancy and Other Related Expenses	-	17,129	-	-	-
Telephone, Postage, and Shipping	11,044	9,351	764	4,066	2,890
Depreciation and Amortization	-	-	-	-	-
Bad Debt	-	42,156	-	-	-
Indirect Costs	201,928	160,709	3,438	50,460	63,849
Total	2,240,729	1,587,214	117,336	403,497	665,450
Less: Expenses Included with Revenues on the Statement of Activities:					
Benefits Related to Exchange Transactions	-	-	-	-	-
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,240,729</u>	<u>\$ 1,587,214</u>	<u>\$ 117,336</u>	<u>\$ 403,497</u>	<u>\$ 665,450</u>

See accompanying Notes to Financial Statements.

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Communi- cations	RFK Europe	RFK United Kingdom	RFK Legacy	Total Program Services
Salaries	\$ 455,976	\$ 76,981	\$ 60,000	\$ 179,585	\$ 2,649,590
Professional and Consultant Fees	197,605	3,000	-	9,292	980,503
Employee Benefits and Payroll Taxes	186,154	33,249	23,525	47,721	1,061,479
Awards, Grants, and Contributions	-	27,000	155,196	-	998,224
Miscellaneous	55,635	-	-	2,560	107,656
Supplies	15,722	-	-	55	18,298
Printing, Publications, and Films	1,508	-	-	-	3,863
Equipment Purchases, Repairs, and Maintenance	-	-	-	-	1,163
Membership Fees and Subscriptions	23,179	-	-	1,839	43,167
Travel	1,523	-	366	1,746	52,724
Conferences, Meetings, and Events	891	-	-	185	90,268
Occupancy and Other Related Expenses	-	-	-	126	17,255
Telephone, Postage, and Shipping	10,376	1,807	-	2,327	42,625
Depreciation and Amortization	23,570	-	-	-	23,570
Bad Debt	-	-	-	-	42,156
Indirect Costs	116,794	20,499	13,839	27,310	658,826
Total	1,088,933	162,536	252,926	272,746	6,791,367
Less: Expenses Included with Revenues on the Statement of Activities:					
Benefits Related to Exchange Transactions	-	-	-	-	-
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,088,933</u>	<u>\$ 162,536</u>	<u>\$ 252,926</u>	<u>\$ 272,746</u>	<u>\$ 6,791,367</u>

See accompanying Notes to Financial Statements.

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 1,231,360	\$ 349,269	\$ 1,580,629	\$ 4,230,219
Professional and Consultant Fees	229,013	485,981	714,994	1,695,497
Employee Benefits and Payroll Taxes	423,207	148,007	571,214	1,632,693
Awards, Grants, and Contributions	5,100	-	5,100	1,003,324
Miscellaneous	81,997	14,464	96,461	204,117
Supplies	35,069	5,841	40,910	59,208
Printing, Publications, and Films	8,442	15,348	23,790	27,653
Equipment Purchases, Repairs, and Maintenance	6,760	-	6,760	7,923
Membership Fees and Subscriptions	33,597	54,109	87,706	130,873
Travel	146,820	1,217	148,037	200,761
Conferences, Meetings, and Events	91,658	277,246	368,904	459,172
Occupancy and Other Related Expenses	657,827	24,520	682,347	699,602
Telephone, Postage, and Shipping	82,705	55,235	137,940	180,565
Depreciation and Amortization	110,391	2,520	112,911	136,481
Bad Debt	-	321,256	321,256	363,412
Indirect Costs	(749,082)	90,256	(658,826)	-
Total	2,394,864	1,845,269	4,240,133	11,031,500
Less: Expenses Included with Revenues on the Statement of Activities:				
Benefits Related to Exchange Transactions	-	(94,861)	(94,861)	(94,861)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,394,864</u>	<u>\$ 1,750,408</u>	<u>\$ 4,145,272</u>	<u>\$ 10,936,639</u>

See accompanying Notes to Financial Statements.

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
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STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 6,835,217
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities	
Depreciation and Amortization	136,481
Donated Securities	(24,509)
Bad Debt Expense	363,413
Change in Value of Beneficial Interest in Remainder Trusts	(6,840,046)
Change in Discount on Grants and Contributions Receivable	36,105
Realized Loss from Sales of Investments	(408,026)
Unrealized Gain on Investments	(850,227)
Contributions Restricted for Long-Term Purposes	(4,400)
Changes in Assets and Liabilities:	
Grants and Contributions Receivable	418,891
Other Receivables	155,238
Prepaid Expenses	104,693
Accounts Payable and Accrued Expenses	(97,557)
Refundable Advance	20,304
Deferred Rent	(52,956)
Net Cash Used by Operating Activities	<u>(207,379)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(547,580)
Purchases of Investments	(19,801,393)
Proceeds from Sale of Investments	19,612,476
Net Cash Used by Investing Activities	<u>(736,497)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Paycheck Protection Program Loan	750,700
Investment in Endowment	4,400
Net Cash Provided by Financing Activities	<u>755,100</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (188,776)

Cash and Cash Equivalents - Beginning of Year 4,307,305

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 4,118,529

ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020

NOTE 1 ORGANIZATION (CONTINUED)

Human Rights Education: 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

The 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.

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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.

Robert F. Kennedy Young Leaders and Young Leaders University

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 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.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 ORGANIZATION (CONTINUED)

RFK Compass (Continued)

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.

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.

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.

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.

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NOTES TO FINANCIAL STATEMENTS
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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.

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 year ended December 31, 2020.

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.

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.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement of Operation

The Organization does not consider investment returns to be revenues from its operations.

Grants and 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 website development are recorded at cost and amortized over the estimated useful lives of three to five years. Website development/redesign costs are recorded at cost and amortized using the straight-line method over three years. 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 statement 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 statement 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

Revenue is recognized when earned. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions and grants received without donor restrictions and with donor restrictions are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying financial statements.

A portion of the Organization's revenue is derived from cost-reimbursable grants and contracts. Amounts received are recognized as earned and are reported as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received but not yet earned are reported as a refundable advance in the statement of financial position.

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.

The Organization records special events and sponsorship revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference. All goods and services are transferred at a point in time.

Adoption of Recent Accounting Pronouncement

In August 2018, the FASB issued Accounting Standard Update (ASU) 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this ASU modify the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The ASU is effective for all entities for years beginning after December 15, 2019. The Organization adopted the principles of the ASU effective January 1, 2020. The adoption of this ASU did not result in any changes to the fair value disclosures presented in the financial statements.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Recent Accounting Pronouncement (Continued)

The Organization has adopted the accounting guidance in Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, issued by the Financial Accounting Standards Board (FASB). The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. The Organization has adopted ASU 2014-09 during 2020 using the modified retrospective method, which did not result in an adjustment to net assets because the adoption of ASU 2014-09 did not have a material impact on the organization's reported historical revenue.

Allocation of Expenses

The Organization's expenses have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, consisting primarily of rent, office expenses and depreciation and amortization 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, 2020 are:

Cash and Cash Equivalents	\$ 4,118,529
Other Receivables	990,182
Grants and Contributions Receivable	4,769,690
Investments	17,190,273
Total Financial Assets	<u>27,068,674</u>
Less: Financial Assets Held to Meet Donor-Imposed Restrictions:	
Purpose-Restricted Net Assets	(7,841,645)
Donor-Restricted Endowment Funds	(2,265,673)
Investments Pledged as Collateral for Loans and Guarantees	(8,027,183)
Less: Financial Assets Not Available Within One Year:	
Grants and Contributions Receivable	(226,805)
Less: Board-Designated Net Assets	<u>(220,030)</u>
Amount Available for General Expenditures Within One Year	<u><u>\$ 8,487,338</u></u>

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity and Availability (Continued)

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 15).

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% as of December 31, 2020. Conditional promises are not included as revenue until such times as the conditions are fully met.

Contribution receivable as of December 31, 2020 are comprised of the following:

Due in Less than One Year	\$ 2,781,550
Due in One to Five Years	1,530,000
Due in Six to Ten Years	890,000
Less: Allowance for Uncollectible Pledges	(500)
Less: Discount Long-term Portion	(431,360)
Total	<u>\$ 4,769,690</u>

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NOTE 5 INVESTMENTS

Investments are recorded at fair value and are composed of the following as of December 31, 2020:

Common Stock	\$ 2,381,315
Mutual Funds	10,235,857
U.S. Treasury Securities	1,199,764
Municipal Bonds	794,524
Corporate Bonds	1,885,629
Cash and Money Market	693,184
Total Investments	<u>\$ 17,190,273</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.

Investments whose values are based on quoted market prices in active markets, and are, therefore classified with Level 1, include active listed common stock, mutual funds, and cash and money market funds traded in brokerage firms.

Investments that trade in markets that are not considered to be active, but are valued on quoted market prices, dealer quotations, or alternative price sources supported by observable inputs are classified with Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or nontransferability, which are generally based on available market information. Investments whose values are based on inputs in markets that are not considered to be active, and are therefore classified with Level 2, include U.S. Treasury Securities, Municipal Bonds and Corporate Bonds.

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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, 2020:

	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock	\$ 2,381,315	\$ -	\$ -	\$ 2,381,315
Mutual Funds	10,235,857	-	-	10,235,857
U.S. Treasury Securities	-	1,199,764	-	1,199,764
Municipal Bonds	-	794,524	-	794,524
Corporate Bonds	-	1,885,629	-	1,885,629
Cash and Money Market	693,184	-	-	693,184
Total Investments	13,310,356	3,879,917	-	17,190,273
Beneficial Interest in Remainder Trusts	-	-	36,095,337	36,095,337
Total	<u>\$ 13,310,356</u>	<u>\$ 3,879,917</u>	<u>\$ 36,095,337</u>	<u>\$ 53,285,610</u>

There were no purchases, issuances, transfers in and transfers out to the beneficial interest in remainder trust for the year ended December 31, 2020. The change in value in the beneficial interest remainder trusts was \$6,840,046 for the year ended December 31, 2020.

The unobservable inputs used to determine fair value of the beneficial interest in remainder trusts have been estimated using risk-free rate available in the market and life expectancy. However, it is possible that different rates are reported by various sources and could differ from source to source. Due to the nature of these financial instruments and rates applied to discount them, changes in market conditions and economic environment the fair value of these financial instruments.

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. There were no distributions as of December 31, 2020.

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NOTE 7 BENEFICIAL INTEREST IN TRUST (CONTINUED)

The present value of the Organization's benefit in the trusts is \$36,095,337 as of December 31, 2020. The present value was calculated using imputed interest rates of 1.44% - 1.82% and a life expectancy of 19.35 - 38.56 years as of December 31, 2020.

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.

In addition to the collateral, the Organization entered into a guarantee with these loans. The Guarantee imposes a noncontingent obligation to stand ready to perform in the event that the CSV is inadequate to cover the loan. The terms of the guarantee provide for no limitation to the maximum potential future payments under the guarantee. The Organization has estimated the fair value of the guarantee as \$802,701 at its inception, which is recorded in the statement of financial position as a liability.

The Trusts own life insurance policies and premiums on the life insurance policy are financed with the proceeds of a loan. If the Lender of the Trust's loan considers the cash surrender value of the insurance policy inadequate and requests additional collateral, the Organization shall provide cash, instruments, or other property to satisfy the Lender's collateral requirements. These assets will be held in a separate account until the Trust's loan is satisfied. In the event the Trust's loan is not satisfied by the insurance policy's cash surrender value or death benefits, the Organization's assets placed as collateral would be used. The maximum amount of future collateral payments under the guarantee is undeterminable because this amount is dependent on future events.

The Organization has granted to the financial institution a security interest in an investments account and the assets therein the account, which represents the maximum exposure to the Organization. The total amount held at the financial institution as collateral was \$8,027,183 as of December 31, 2020.

The Organization has a liability recorded of \$802,701 that reflects the fair value of the Organization's obligation under the collateral agreement at December 31, 2020. The guarantee was measured as of the most recent refinance based on the present value of the cost obtaining a letter of credit to cover the estimated exposure of the guarantee. Although the Organization would have no recourse from third parties in the event that it was called upon to perform under the guarantee, management has no information indicating that it will be called upon to perform.

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NOTE 8 PAYCHECK PROTECTION PROGRAM LOAN

On April 24, 2020, the Organization received a CARES ACT term loan from Community Reinvestment Fund, USA in the amount of \$750,700 to fund payroll, rent, utilities, and interest on existing debt through the Small Business Administration's Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from February 15, 2020 to December 31, 2020 is the time that a business has to spend their PPP Loan funds.

The Organization is following the guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 470, *Debt*, (ASC 470), to account for the PPP Loan. According to ASC 470, the proceeds received from the bank should be reported as cash inflows from financing activities in the statement of cash flows and also as debt on the statement of financial position. Once forgiven, the debt will be eliminated and will be reported as an extinguishment of debt (revenue) on the statement of activities.

On March 9, 2021, the Small Business Administration provided Community Reinvestment Fund, USA with funds in the amount of \$750,700 to apply towards the Organization's PPP Loan as the loan was forgiven.

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NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions as of December 31, 2020 are available for the following purposes:

Net Assets With Donor Restrictions - Purpose:

Partners for Human Rights	\$ 5,470,207
Communications	779,260
Endowment Fund	121,077
Speak Truth to Power	412,491
RFK Legacy	1,058,610
Total Net Assets With Donor Restrictions - Purpose	<u>7,841,645</u>

Net Assets With Donor Restrictions - Time:

Leadership Council	552,464
Compass	108,855
Charitable Remainder Trust	36,095,337
Total Net Assets with Donor Restrictions - Time	<u>36,756,656</u>

Total	<u><u>\$ 44,598,301</u></u>
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NOTE 10 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through passage of time) which satisfied the restricted purposes specified by the donors:

Funds Released - Purpose:

Partners for Human Rights	\$ 1,743,235
Communications	70,740
Endowment Fund	15,960
RFK Young Leaders	2,729
Speak Truth to Power	620,783
RFK Legacy	20,551
Total Funds Released - Purpose	<u>2,473,998</u>

Funds Released- Time:

Leadership Council	729,802
Total Funds Released - Time	<u>729,802</u>

Total	<u><u>\$ 3,203,800</u></u>
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NOTE 11 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

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.

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NOTE 11 ENDOWMENTS (CONTINUED)

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.

The endowment net assets and activity consisted of the following for December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions - Time and Purpose	With Donor Restrictions - Perpetuity	Total
Endowment Fund as of December 31, 2019	\$ -	\$ 38,935	\$ 1,791,528	\$ 1,830,463
Contributions	-	-	4,400	4,400
Contributions Receivable Payment Received	-	-	65,600	65,600
Earnings:				
Interest and Dividends	-	34,910	-	34,910
Realized Gain	-	43,811	-	43,811
Unrealized Gain	-	91,292	-	91,292
Investment Advisory Fees	-	(14,039)	-	(14,039)
Total	-	155,974	-	155,974
Appropriations	-	(73,832)	-	(73,832)
Endowment Fund as of December 31, 2020	<u>\$ -</u>	<u>\$ 121,077</u>	<u>\$ 1,861,528</u>	<u>\$ 1,982,605</u>
Endowment Fund - December 31, 2020			\$ 1,861,528	
Contributions Receivable			404,145	
Net Assets With Donor Restrictions - Perpetuity - December 31, 2020			<u>\$ 2,265,673</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, 2020.

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NOTE 12 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 year ended December 31, 2020 was \$245,342.

NOTE 13 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 statement 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 statement of financial position.

In December 2020, the Organization executed a second amendment to its Washington, DC office lease. Pursuant to the second amendment, the term of the lease is extended through February 28, 2027. Additionally, the first six full calendar months (January 2021 – June 2021) shall be abated at 50% and the next six full calendar months (July 2021 – December 2021) shall be abated at 37.50%. This rent abatement, as well as any stated rent increases within the lease agreement, will be 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 statement of financial position, beginning January 1, 2021.

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NOTE 13 LEASE COMMITMENTS (CONTINUED)

Total rent expense for the year ended December 31, 2020, was \$586,100. Aggregate minimum annual rental payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 449,236
2022	572,608
2023	586,909
2024	604,392
2025	611,601
Thereafter	696,264
Total	<u>\$ 3,521,010</u>

NOTE 14 CONDITIONAL CONTRIBUTIONS AND GRANTS

The Organization earned a portion of its revenues through awards with various federal and state agencies, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses and all of which may be subject to audit. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Until such audits have been completed and final settlement reached, there exists a potential to refund any amounts received in excess of allowable costs. Management is not aware of any liability as a result of these audits. The Organization received cost-reimbursable grants of which \$218,877 has not been recognized as of December 31, 2020, because qualifying expenditures have not yet been incurred.

NOTE 15 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 to this employee for the year ended December 31, 2020.

The total amount of contributions gifted from board members represents \$2,965,120 for the year ended December 31, 2020.

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NOTE 16 COMMITMENTS

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 22% LTV. The line matures on July 15, 2021 and is extended annually after positive review. The line accrues interest at a variable rate based on the one-month London Interbank Offered Rate (LIBOR) rate plus a spread of 1.75% per annum, rounded up to the nearest one-eighth of 1%, currently 1.875%, subject to a floor rate of 1.50% per annum. As of December 31, 2020, the balance owed is \$0 and there is not a non-usage or annual fee.

Letter of Credit

In 2016, the Organization executed a standby letter of credit as security for the office space lease in New York City in the amount of \$117,030. 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.

NOTE 17 RISKS AND UNCERTAINTIES

During the year, the pandemic of the Corona Virus (COVID-19) was declared by the World Health Organization. Future revenue and expenses of the organization may be impacted by various restrictions. This could also impact transactions relating to vendors. As of September 28, 2021, the amount and likelihood of loss relating to these events is not determined.

NOTE 18 PRIOR PERIOD ADJUSTMENT

The financial statements as of January 1, 2020 have been restated to correct an error related to the fair value of the guarantor debt to insurance trusts reported on the statement of financial position. The prior period adjustment decreased beginning net assets without donor restrictions by \$802,701. The table below summarizes the impact on beginning net assets.

	Without Donor Restrictions	With Donor Restrictions - Time and Purpose	With Donor Restrictions - Perpetuity	Total
Net Assets, Beginning of Year, as Previously Reported	\$ 13,846,189	\$ 39,187,508	\$ 2,621,273	\$ 55,654,970
Adjustment to Decrease Net Assets Without Donor Restrictions for Guarantee Recorded for the Insurance Trusts	(802,701)	-	-	(802,701)
Net Assets, Beginning of Year, as Restated	<u>\$ 13,043,488</u>	<u>\$ 39,187,508</u>	<u>\$ 2,621,273</u>	<u>\$ 54,852,269</u>

**ROBERT F. KENNEDY CENTER FOR JUSTICE AND HUMAN RIGHTS
DBA: ROBERT F. KENNEDY HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 19 SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 28, 2021, the date the financial statements were available to be issued.