

CITIZENS COMMISSION ON HUMAN RIGHTS

DECEMBER 31, 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors
Citizens Commission on Human Rights
Los Angeles, California

We have audited the accompanying financial statements of Citizens Commission on Human Rights (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citizens Commission on Human Rights as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited Citizens Commission on Human Rights' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



CliftonLarsonAllen LLP

Los Angeles, California
September 23, 2020

**CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
WITH COMPARATIVE TOTALS AT DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 87,562	\$ 119,953
Receivables, net	11,140	7,232
Grants receivable	-	146,512
Deposits and other assets	5,665	86,899
Inventory	18,147	18,506
Property and equipment, net	<u>67,463</u>	<u>84,207</u>
TOTAL ASSETS	\$ <u>189,977</u>	\$ <u>463,309</u>
 LIABILITIES		
Accounts payable and accrued liabilities	\$ 44,467	\$ 178,646
Deferred revenue	<u>3,824</u>	<u>3,933</u>
TOTAL LIABILITIES	48,291	182,579
 NET ASSETS		
Without donor restrictions:		
Undesignated	<u>141,686</u>	<u>280,730</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>189,977</u>	\$ <u>463,309</u>

See accompanying Notes to Financial Statements.

**CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
REVENUES, SUPPORT, AND GAINS		
Educational publications and materials sales	\$ 16,888	\$ 23,188
Contribution from related parties	900,868	909,180
Grant from another nonprofit organization	426,458	1,152,682
Donations	1,999,656	1,880,852
License fee income	74,843	53,635
Membership income	86,617	87,716
Special events income	461,750	-
Other revenue	<u>9,063</u>	<u>21,467</u>
TOTAL REVENUES	\$ <u>3,976,143</u>	\$ <u>4,128,720</u>
EXPENSES		
Program services		
Hotline for psychiatric abuse	\$ 265,861	\$ 267,127
Lobbying	204,966	194,643
Public awareness and information campaign	2,171,291	2,725,927
Educational publications	317,272	327,189
Research	475,869	434,621
Supporting services		
Management and general	282,193	258,127
Fundraising	<u>397,735</u>	<u>330,520</u>
TOTAL EXPENSES	\$ <u>4,115,187</u>	\$ <u>4,538,154</u>
CHANGES IN NET ASSETS	(139,044)	(409,434)
NET ASSETS - January 1	<u>280,730</u>	<u>690,164</u>
NET ASSETS - December 31	\$ <u><u>141,686</u></u>	\$ <u><u>280,730</u></u>

See accompanying Notes to Financial Statements.

**CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (139,044)	\$ (409,434)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	27,837	27,231
Loss on disposition of property and equipment	1,243	343
Loss on disposition of donated assets	-	2,845
Doubtful debt provision	8,814	7,232
(Increase) decrease in assets:		
Receivables	(12,722)	(2,761)
Grants receivables	146,512	(41,039)
Deposits and other assets	81,234	13,871
Inventory	359	759
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(134,179)	45,865
Deferred revenue	<u>(109)</u>	<u>1,678</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(20,055)</u>	<u>(353,410)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	<u>(12,336)</u>	<u>(26,318)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(12,336)</u>	<u>(26,318)</u>
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(32,391)	(379,728)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, January 1	<u>119,953</u>	<u>499,681</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, December 31	<u>\$ 87,562</u>	<u>\$ 119,953</u>
Cash and cash equivalents without donor restrictions	\$ 87,562	\$ 119,953
Cash and cash equivalents with donor restrictions	-	-
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u>\$ 87,562</u>	<u>\$ 119,953</u>

See accompanying Notes to Financial Statements.

**CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018**

	2019						2018			
	Program Services					Supporting Services			Total Expenses	Total Expenses
	Hotline for Psychiatric Abuse	Lobbying	Public Awareness and Information Campaign	Educational Publications	Research	Total Program Services	Management and General	Fundraising		
Salaries and employee benefits	\$ 170,765	\$ 117,003	\$ 505,191	\$ 175,787	\$ 306,162	\$ 1,274,908	\$ 145,721	\$ 137,680	\$ 1,558,309	\$ 1,420,618
Payroll taxes	15,918	10,250	44,527	15,730	25,975	112,400	13,584	12,834	138,818	117,493
	<u>186,683</u>	<u>127,253</u>	<u>549,718</u>	<u>191,517</u>	<u>332,137</u>	<u>1,387,308</u>	<u>159,305</u>	<u>150,514</u>	<u>1,697,127</u>	<u>1,538,111</u>
Cost of materials sold	-	-	-	2,691	-	2,691	-	-	2,691	3,146
Fundraising commissions	-	-	-	-	-	-	-	41,279	41,279	25,029
Insurance	3,839	3,095	17,722	4,647	6,353	35,656	4,317	3,852	43,825	40,084
Maintenance	1,135	1,280	9,328	1,874	1,931	15,548	1,886	1,582	19,016	14,864
Office and administrative	1,221	787	6,519	3,329	14,717	26,573	10,331	55,486	92,390	107,269
Postage and shipping	2,311	1,488	6,495	6,769	3,770	20,833	1,972	11,029	33,834	47,887
Printing and promotion	2,956	1,077	667,052	3,400	2,728	677,213	1,427	17,873	696,513	1,679,934
Professional fees	8,100	5,216	22,658	8,004	13,217	57,195	7,875	6,531	71,601	80,549
Rent	49,053	55,317	403,091	80,973	83,425	671,859	81,486	68,368	821,713	822,456
Special events costs	-	-	418,224	-	-	418,224	-	27,999	446,223	-
Taxes, dues and fees	14	-	2,765	-	-	2,779	150	1,486	4,415	40,702
Telephone	5,048	3,250	14,119	4,988	8,236	35,641	4,307	4,070	44,018	39,244
Travel	-	-	8,399	-	-	8,399	-	-	8,399	9,628
Utilities	3,839	4,329	31,545	6,337	6,529	52,579	6,377	5,350	64,306	62,020
Total expenses before depreciation	<u>264,199</u>	<u>203,092</u>	<u>2,157,635</u>	<u>314,529</u>	<u>473,043</u>	<u>3,412,498</u>	<u>279,433</u>	<u>395,419</u>	<u>4,087,350</u>	<u>4,510,923</u>
Depreciation	<u>1,662</u>	<u>1,874</u>	<u>13,656</u>	<u>2,743</u>	<u>2,826</u>	<u>22,761</u>	<u>2,760</u>	<u>2,316</u>	<u>27,837</u>	<u>27,231</u>
Total Expenses	<u>\$ 265,861</u>	<u>\$ 204,966</u>	<u>\$ 2,171,291</u>	<u>\$ 317,272</u>	<u>\$ 475,869</u>	<u>\$ 3,435,259</u>	<u>\$ 282,193</u>	<u>\$ 397,735</u>	<u>\$ 4,115,187</u>	<u>\$ 4,538,154</u>

See accompanying Notes to Financial Statements.

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity-

Citizens Commission on Human Rights (CCHR) is a California, tax-exempt, nonprofit, public benefit corporation dedicated to investigation and exposing psychiatric violations of human rights. As a research and educational organization, CCHR's primary goal is to provide the general public with the facts they need for a better understanding of the social, medical, economic and legal effects of certain psychiatric practices and treatments. It also seeks to protect the public against increasing encroachment on individual rights and civil liberties that result from psychiatry's impingement on society.

CCHR's objectives are to bring these matters to the attention of the public and relevant governmental entities and to encourage a more responsible approach to mental healing that respects human and civil rights of all individuals concerned. CCHR fulfills its mission by focusing its efforts in five primary service areas:

Hotline for Psychiatric Abuse

CCHR's resourceful website provides a means for people to become better informed and to report psychiatric abuse. CCHR has its abuse case management system online where the public can easily report psychiatric abuse and CCHR can track and manage the progress of abuse cases. CCHR also provides a toll-free 800 hotline to report incidents of psychiatric abuse, fraud or other criminal conduct or mental health rights violations, and to request free information or assistance with filing complaints to the appropriate authorities. The hotline and online abuse case report form is promoted through CCHR's website, media releases, television ads and through social media.

Lobbying

CCHR is a mental health rights watchdog and a voice for those who are unable to speak out about being abused in the mental health system. By investigating the abuses reported to it and assisting those abused or their families to file complaints, CCHR aims to eradicate human rights violations committed under the guise of mental health "care". CCHR, along with advocacy groups and experts, continued to inform and educate policymakers about the inherent dangers of psychiatric drugs, mental health treatments and practices.

Public Awareness and Information Campaign

CCHR conducts public outreach through its website and social media. Press releases are posted by CCHR on its website, promoted through its social media channels and also through media outlets via online press release distribution services. CCHR also posts documentaries, videos and public service announcements on the aforementioned online avenues. CCHR promotes its public awareness psychiatry museum at its international headquarters in Los Angeles.

CCHR's traveling exhibits, modeled after the permanent museum in Los Angeles, tour in countries around the world and enlighten visitors about psychiatric abuses and what they can do about them.

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
(Continued)

Thousands of individuals tour CCHR's premier museum in Los Angeles "Psychiatry: An Industry of Death" which details the history of psychiatry and how its treatments have been linked to so many deaths and abuse. As part of CCHR's public awareness campaign, the museum's graphic documentary-style exposé includes 14 state-of-the-art mini-documentaries addressing & exposing the lineage of human rights violations that are passed off as "treatment" within the infrastructure of modern, medical "practice".

Educational Publications

As a watchdog organization, CCHR produces many educational properties, including official reports and submissions to policy makers, positioning statements on mental health issues and documentaries covering aspects of psychiatry's harmful impact on society. The purpose is to raise awareness about protections needed for patients and their families' civil and human rights, especially the right to informed consent for treatment and to be safeguarded against coercive psychiatric practices.

Research

As CCHR is a mental health watchdog, CCHR conducts research into many areas of human rights abuses in the mental health system, including the use of electroconvulsive therapy, the prescribing of mind-altering psychiatric drugs, the administration of psychiatric drugs to foster children, the link between psychiatric drugs and violence and suicide. Data is also obtained on psychiatrists' and psychiatric facilities' violations of state and federal statutes or regulations, especially the commission of fraud and patient abuse.

Tax Exempt Status-

CCHR is recognized by the Internal Revenue Service as exempt from Federal income tax under Section 501(c)(3). CCHR is also recognized by the California Franchise Tax Board as exempt from California Corporation Franchise Tax under Section 23772(a)(2)(A)(i) of the California Revenue and Taxation Code and exempt from income tax under Section 2370(1)(d). CCHR qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Income Taxes-

CCHR files Form 990, Return of Organization Exempt from Income Tax, and Form 199, California Exempt Organization Annual Information Return.

CCHR has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state level. It has determined that all income tax positions are more likely than not (greater than 50% chance) of being sustained upon potential audit or examination; therefore, no recognition or disclosure of uncertain income tax positions is required in the financial statements.

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
(Continued)

Basis of Accounting-

The financial statements of CCHR have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

Basis of Presentation-

The financial statements of CCHR have been presented in accordance with the AICPA's Audit and Account Guide, "Not-For-Profit Organizations." The accounting policies followed are described below.

Net Asset Classes-

Net assets, revenues and gains are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
(Continued)

Summarized Comparative Financial Information-

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the CCHR's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Use of Estimates in the Preparation of Financial Statements -

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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents-

Cash and cash equivalents include all funds in banks and highly liquid investments in other financial institutions, with initial maturity of three months or less.

Inventory-

Inventory is stated at lower of cost and net realizable value; cost is determined by the average cost method. Inventory consists of public awareness and/or educational booklets, pamphlets and books, as well as insignia promoting the museum. Shipping costs are expensed when paid.

Property and Equipment-

Property and equipment are carried at cost. Depreciation is computed using primarily the straight-line method, with the following estimated useful lives:

	<u>YEARS</u>
Furniture and equipment	5-7
Display fixtures	7
Software	3

Expenditures for maintenance, repairs, and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

Donated Assets-

Non-cash donations are recorded as contributions at fair market value at the time of donation.

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
(Continued)

Receivables-

Receivables represent amounts owed to CCHR by CCHR chapters for license fees, and by donors for pledged unconditional promises to give. The receivables are stated at fair value net of allowances.

Revenue and Revenue Recognition-

CCHR recognizes revenue from educational publications and materials sales as the goods are exchanged. Membership income, which is nonrefundable, is comprised of an exchange element based on the value of the goods provided, and a contribution element for the difference between the total dues paid and the value of the goods. CCHR recognizes the exchange portion of membership income upon complete payment of dues and transfer of goods, and the contribution portion immediately. CCHR recognizes license fee income over time—weekly, monthly, or annually—depending upon each individual agreement. Special events income paid in advance is deferred to the period to which the event takes place. CCHR recognizes special events income the night of the special event.

CCHR recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. CCHR does not permit, typically, conditional promise contributions. Grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Subsequent Events-

Management has evaluated subsequent events through September 23, 2020, the date the financial statements were available to be issued.

New Accounting Standards-

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (ASC 606). ASC 606 requires entities to apply a five step process to recognize revenue in amounts that depict the transfer of promised goods or services to customers. In June 2020, the FASB issued ASU 2020-05, deferring the effective date of ASC 606, with early application of the standard continuing to be permitted. CCHR early adopted the new guidance on January 1, 2019 using the retrospective transition method. Adoption of ASC 606 did not result in any change in revenues recognized during the years ended and therefore there was no transition adjustment necessary.

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958)—Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. CCHR has adopted the guidance as management believes the standard improves the usefulness and understandability of CCHR's financial reporting.

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
(Continued)

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230)—Restricted Cash. CCHR has adopted the guidance and has adjusted the presentation of the statement of cash flows accordingly. Restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statement of cash flows

Note 2 RECEIVABLES

	2019	2018
License fees receivable	\$ 15,049	\$ 14,314
Pledges receivable	4,905	150
	19,954	14,464
Less allowance for doubtful accounts	(8,814)	(7,232)
	\$ 11,140	\$ 7,232

Note 3 PROPERTY AND EQUIPMENT

	2019	2018
Furniture and equipment	\$ 1,232,167	\$ 1,232,729
Display fixtures	759,659	759,659
Software	54,051	47,801
	2,045,877	2,040,189
Less accumulated depreciation	(1,978,414)	(1,955,982)
	\$ 67,463	\$ 84,207

Note 4 RELATED PARTY TRANSACTIONS

CCHR is affiliated with Church of Scientology International (CSI) and Social Betterment Properties Incorporated (SBPI), both of which are tax-exempt nonprofit corporations.

CCHR is related to all CCHR chapters globally and all license fee income and license fees receivable are from related parties.

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 4 RELATED PARTY TRANSACTIONS (Continued)

CCHR occupies a facility owned by SBPI, rent free. The approximate fair value of the monthly rent was estimated to be \$68,476 in both 2019 and 2018, which is included in contributions and rent expenses in the statement of activities.

Included in printing and promotion are dissemination expenses paid to related parties in the amount of \$681,330 and \$750,729 in 2019 and 2018, respectively. These dissemination expenses include accounts payable and accrued liabilities to CSI in the amount of \$0 and \$146,512 in 2019 and 2018, respectively.

Included in contribution from related parties are CCHR's operating expenses paid by CSI in the amount of \$57,575 and \$65,886 in 2019 and 2018, respectively. CSI also contributed \$21,582 in both 2019 and 2018, to CCHR for liability insurance premiums.

Included in deposits and other assets are prepaid expenses paid to CSI for dissemination in the amount of \$0 and \$30,340 in 2019 and 2018, respectively.

Note 5 CONCENTRATION OF CREDIT RISK

Cash and cash equivalents include approximately \$0 in both 2019 and 2018, in excess of insured limits.

Note 6 LIQUIDITY AND AVAILABILITY

CCHR regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also electing to not invest its available funds in short-term investments. For the purposes of analyzing resources available to meet general expenditures over a 12-month period, CCHR considers all expenditures related to its ongoing programs, as well as the supporting services for general expenditures.

As of December 31, 2019 and 2018, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 87,562	\$ 119,953
Receivables, net	11,140	7,232
Grants receivable	-	146,512
	<u>\$ 98,702</u>	<u>\$ 273,697</u>

**CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 7 METHOD USED TO ALLOCATE COSTS

The costs of programs and the supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated is based on the time and effort of CCHR's personnel.

Note 8 SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to CCHR, COVID-19 may impact various parts of its 2020 operations and financial results, including, but not limited to, additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, and potential loss of revenue due to reductions in certain revenue streams. CCHR believes it is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

Subsequent to year-end, CCHR received a loan in the amount of \$307,440 to fund payroll, rent and utilities through the federal Paycheck Protection Program. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.