

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Educators Institute for Human Rights, Inc.

Opinion

We have audited the accompanying financial statements of Educators Institute for Human Rights, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Educators Institute for Human Rights, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Educators Institute for Human Rights, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Educators Institute for Human Rights, Inc. Accounting Standards Update No. 2016-02, *Leases*, during the year ended December 31, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Educators Institute for Human Rights, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Educators Institute for Human Rights, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Educators Institute for Human Rights, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The image shows a handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style. The word "Rubins" is written in a large, looped script, followed by an ampersand "&" and the word "Company" in a similar but slightly smaller cursive script.

August 8, 2023
Bethesda, Maryland

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 56,325	\$ 87,248
Accounts receivable	137,500	138,523
Prepaid expenses	677	-
Security deposit	2,250	-
Total assets	\$ 196,752	\$ 225,771
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 24,433	\$ 10,154
Total liabilities	24,433	10,154
Net assets		
Without donor restrictions	172,319	215,617
Total net assets	172,319	215,617
Total liabilities and net assets	\$ 196,752	\$ 225,771

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

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	2022	2021
Change in net assets without donor restrictions		
Revenue and support		
Contributions and support	\$ 307,285	\$ 297,958
Other income	8,290	79
Total revenue and support	315,575	298,037
Expenses		
Program services	232,547	257,977
General and administrative	116,871	71,039
Fundraising	9,455	8,577
Total expenses	358,873	337,593
Change in net assets without donor restrictions	(43,298)	(39,556)
Net assets, beginning of year	215,617	255,173
Net assets, end of year	\$ 172,319	\$ 215,617

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

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 145,287	\$ 27,241	\$ 9,081	\$ 181,609
Retirement	5,990	1,123	374	7,487
Professional services	12,600	17,100	-	29,700
Facilities and equipment	-	9,149	-	9,149
Office operations	-	7,900	-	7,900
Insurance	-	7,554	-	7,554
Meetings and travel	26,522	-	-	26,522
Honor and charitable contributions	-	6,202	-	6,202
Contract services	42,148	-	-	42,148
Business registration	-	40,602	-	40,602
	<u>\$ 232,547</u>	<u>\$ 116,871</u>	<u>\$ 9,455</u>	<u>\$ 358,873</u>
Total expenses	<u>\$ 232,547</u>	<u>\$ 116,871</u>	<u>\$ 9,455</u>	<u>\$ 358,873</u>

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

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 131,695	\$ 24,692	\$ 8,231	\$ 164,618
Retirement	5,542	1,039	346	6,927
Professional services	25,010	9,900	-	34,910
Facilities and equipment	-	5,530	-	5,530
Office operations	-	8,151	-	8,151
Insurance	-	7,156	-	7,156
Meetings and travel	21,860	-	-	21,860
Honor and charitable contributions	-	5,979	-	5,979
Contract services	73,870	-	-	73,870
Business registration	-	8,592	-	8,592
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 257,977</u>	<u>\$ 71,039</u>	<u>\$ 8,577</u>	<u>\$ 337,593</u>

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

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (43,298)	\$ (39,556)
Changes in operating assets and liabilities:		
Accounts receivable	1,023	(528)
Prepaid expenses	(677)	-
Security deposit	(2,250)	-
Accounts payable and accrued expenses	<u>14,279</u>	<u>4,560</u>
Net cash used by operating activities	<u>(30,923)</u>	<u>(35,524)</u>
Net decrease in cash and cash equivalents	(30,923)	(35,524)
Cash and cash equivalents, beginning of year	<u>87,248</u>	<u>122,772</u>
Cash and cash equivalents, end of year	<u><u>\$ 56,325</u></u>	<u><u>\$ 87,248</u></u>

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

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

1. Organization

Educators Institute for Human Rights (EIHR) is a nonprofit organization incorporated under the laws of the State of New York in June 2011. EIHR's mission is to cultivate partnerships among educators globally to create materials and deliver training based on best practices in Holocaust and human rights education. The Organization delivers content and strategies for teaching conflict history and prevention, and sustainable peace.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of EIHR have been prepared in accordance with U.S. generally accepted accounting principles, which requires EIHR to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Educators Institute for Human Rights, Inc. EIHR's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of EIHR or by the passage of time. There were no net assets with donor restrictions as of December 31, 2022 and 2021.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to EIHR's ongoing mission-related programs and the associated supporting functions. Non-operating activities are limited to resources that generate return from other activities considered to be of a more unusual or nonrecurring nature. EIHR had no non-operating activities during 2022 and 2021.

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Educators Institute for Human Rights, Inc. maintains cash balances at various financial institutions which, at times, may exceed federally insured limits. EIHR has not experienced any losses related to these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable is recorded at net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Leases

At lease inception, EIHR determines whether an arrangement is or contains a lease. During the years ended December 31, 2022 and 2021, EIHR did not have any leases that have an initial term of more than twelve months.

Revenue Recognition

Grants and Contributions

Educators Institute for Human Rights, Inc. recognizes contributions and grants 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 are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

EIHR did not receive contributions or grants with donor restrictions during the years ended December 31, 2022 and 2021.

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities of EIHR have been summarized on a functional basis in the statement of activities. Expenses are allocated among the programs and supporting services based on the functions directly benefited or upon management's estimates of the proportion of the expenses applicable to each function. General and administrative expenses include those expenses that are not directly identifiable with any specific function but that provide for the overall support and direction of the Organization.

Use of 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 the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Tax Status

Educators Institute for Human Rights is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of New York. EIHR is exempt from taxes on income other than unrelated business income. No provision for income taxes was required for the years ended December 31, 2022 and 2021.

Educators Institute for Human Rights' income tax returns are subject to review and examination by federal and state taxing authorities. EIHR is not aware of any activities that would jeopardize its tax-exempt status. Income tax returns for the years ended December 31, 2021, 2020 and 2019 remain open to examination by the taxing jurisdictions.

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements – Adopted

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The ASU requires a lessee to recognize a right-of-use (“ROU”) asset and lease liability on the statement of financial position for most lease contracts (which include those leases that are currently classified as operating leases under the current accounting standard). Additional disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from lease contracts. EIHR adopted the ASU as of January 1, 2022.

The objective of this ASU, along with several related ASUs issued subsequently, is to increase transparency and comparability between organizations that enter into lease agreements. For lessees, the key difference of the new standard from the previous guidance (Topic 840) is the recognition of a right-of-use (ROU) asset and lease liability on the balance sheet. The most significant change is the requirement to recognize ROU assets and lease liabilities for leases classified as operating leases. The standard requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

In accordance with Topic 842, EIHR has elected not to recognize leases on the statement of financial position that have an initial term of twelve months or less. For the years ended December 31, 2022 and 2021, EIHR did not have leases subject to the requirements of Topic 842. For the short-term office space agreement entered into during 2022 (Note 5), EIHR estimates minimum payments of approximately \$10,000 in 2023.

Subsequent Events

Management has evaluated subsequent events through August 8, 2023, the date the financial statements were available to be issued.

EDUCATORS INSTITUTE FOR HUMAN RIGHTS, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

3. Availability and Liquidity

The following reflects the EIHR's financial assets at December 31, 2022 and 2021 that are available for general use within one year of the statement of financial position date.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 56,325	\$ 87,248
Accounts receivable	<u>137,500</u>	<u>138,523</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 193,825</u>	<u>\$ 225,771</u>

EIHR manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due.

4. Accounts Receivable

Accounts receivable are expected to be collected within one year. No allowance for uncollectible accounts receivable has been established, as all amounts are deemed fully collectible. Accounts receivable consists of contributions receivable from donors. At December 31, 2022 and 2021, accounts receivable totaled \$137,500 and \$138,523, respectively.

5. Lease Commitments

EIHR entered into a one-year lease agreement on July 15, 2022, for office space in Washington, DC. The lease agreement expires on July 31, 2023, and does not include options to extend within the original lease contract. The security deposit paid on this lease is \$2,250 and is included on the statement of financial position at December 31, 2022. Short-term lease costs incurred during 2022 were \$9,149 related to this lease.

6. Retirement Plan

EIHR has a 401(k) plan that is available to all employees who meet certain age requirements. EIHR contributes to the plan on behalf of its employees, with nonelective employer safe harbor contributions equally 5% of employee eligible salary. Employer's safe harbor contributions to the plan totaled \$7,487 and \$6,927 for the years ended December 31, 2022 and 2021, respectively.