

CITIZENS COMMISSION ON HUMAN RIGHTS

DECEMBER 31, 2013 and 2012

NSBN



CERTIFIED PUBLIC ACCOUNTANTS
&
BUSINESS CONSULTANTS

September 3, 2014

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 statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 of December 31, 2013 and 2012, and the statements of activities, functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

NSBN LLP

NSBN LLP

Beverly Hills, California

NSBN

CITIZENS COMMISSION ON HUMAN RIGHTS
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2013 and 2012

| ASSETS | <u>2013</u> | <u>2012</u> |
|--|-------------------|-------------------|
| Cash and cash equivalents | \$ 151,749 | \$ 452,858 |
| Receivables, net | 16,444 | 19,623 |
| Deposits and other assets | 11,038 | 13,554 |
| Donated assets | 61,460 | 60,143 |
| Inventory | 57,313 | 58,879 |
| Property and equipment, net | <u>36,705</u> | <u>21,607</u> |
| | | |
| TOTAL ASSETS | <u>\$ 334,709</u> | <u>\$ 626,664</u> |
| | | |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 31,602 | \$ 61,282 |
| Due to related party | <u>93,925</u> | <u>76,712</u> |
| | | |
| TOTAL LIABILITIES | <u>125,527</u> | <u>137,994</u> |
| | | |
| NET ASSETS - unrestricted | <u>209,182</u> | <u>488,670</u> |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 334,709</u> | <u>\$ 626,664</u> |

See accompanying independent auditors' report.
 The notes are an integral part of these financial statements.

CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2013 and 2012

| REVENUE AND SUPPORT | <u>2013</u> | <u>2012</u> |
|--|---------------------|---------------------|
| Educational publications and materials sales | \$ 65,276 | \$ 65,823 |
| Contribution from related party | 446,991 | 407,694 |
| Grant from another nonprofit organization | 712,919 | 477,532 |
| Donations | 1,543,204 | 1,784,682 |
| License fee income | 39,143 | 45,855 |
| Membership income | 72,313 | 53,998 |
| Special events income | 230,071 | 211,857 |
| Other revenue | <u>17,580</u> | <u>15,518</u> |
| TOTAL REVENUE AND SUPPORT | <u>\$ 3,127,497</u> | <u>\$ 3,062,959</u> |
| | | |
| EXPENSES | | |
| Program services | | |
| Hotline for psychiatric abuse | \$ 129,205 | \$ 140,939 |
| Lobbying | 136,257 | 104,331 |
| Public awareness and information campaign | 2,029,347 | 1,731,501 |
| Educational publications | 311,850 | 266,698 |
| Research | 249,574 | 177,566 |
| Supporting services | | |
| Management and General | 220,648 | 239,367 |
| Fundraising | <u>330,104</u> | <u>335,245</u> |
| TOTAL EXPENSES | <u>\$ 3,406,985</u> | <u>\$ 2,995,647</u> |
| | | |
| CHANGES IN NET ASSETS - unrestricted | (279,488) | 67,312 |
| NET ASSETS - unrestricted, January 1 | <u>488,670</u> | <u>421,358</u> |
| NET ASSETS - unrestricted, December 31 | <u>\$ 209,182</u> | <u>\$ 488,670</u> |

See accompanying independent auditors' report.
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CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 and 2012

| | 2013 | 2012 |
|---|--------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets - unrestricted | \$ (279,488) | \$ 67,312 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 11,030 | 62,430 |
| Loss on disposition of property and equipment | - | 5 |
| (Increase) decrease in assets: | | |
| Receivables | 3,179 | 6,394 |
| Deposits and other assets | 2,516 | (854) |
| Donated assets | (1,317) | 38,768 |
| Inventory | 1,566 | (17,825) |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued liabilities | (29,680) | (206,812) |
| Due to related party | 17,213 | 15,938 |
| NET CASH (USED IN) OPERATING ACTIVITIES | (274,981) | (34,644) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of property and equipment | (26,128) | (7,462) |
| NET CASH (USED IN) INVESTING ACTIVITIES | (26,128) | (7,462) |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | (301,109) | (42,106) |
| CASH AND CASH EQUIVALENTS, January 1 | 452,858 | 494,964 |
| CASH AND CASH EQUIVALENTS, December 31 | \$ 151,749 | \$ 452,858 |

See accompanying independent auditors' report.
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CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

| | Program Services | | | | | Supporting Services | | | 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 | \$ 77,897 | \$ 66,834 | \$ 371,168 | \$ 158,747 | \$ 138,090 | \$ 812,736 | \$ 93,581 | \$ 85,040 | \$ 991,357 |
| Payroll taxes | 7,630 | 6,019 | 33,718 | 14,494 | 12,471 | 74,332 | 9,157 | 8,330 | 91,829 |
| | <u>85,527</u> | <u>72,853</u> | <u>404,886</u> | <u>173,241</u> | <u>150,561</u> | <u>887,068</u> | <u>102,748</u> | <u>93,370</u> | <u>1,083,186</u> |
| Contributions to affiliated organizations | - | - | 96,000 | - | - | 96,000 | - | - | 96,000 |
| Cost of materials sold | - | - | - | 33,091 | - | 33,091 | - | - | 33,091 |
| Donation of materials | - | - | - | 2,426 | - | 2,426 | - | - | 2,426 |
| Fundraising commissions | - | - | - | - | - | - | - | 98,468 | 98,468 |
| Insurance | 2,063 | 1,568 | 12,714 | 4,009 | 2,342 | 22,696 | 3,015 | 2,481 | 28,192 |
| Maintenance | 777 | 573 | 5,861 | 1,537 | 575 | 9,323 | 1,295 | 1,002 | 11,620 |
| Office and administrative | 508 | 401 | 9,540 | 2,419 | 10,564 | 23,432 | 11,217 | 45,679 | 80,328 |
| Postage and shipping | 1,070 | 844 | 4,924 | 1,276 | 1,749 | 9,863 | 1,286 | 8,693 | 19,842 |
| Printing and promotion | 202 | 15,785 | 933,045 | 9,069 | 331 | 958,432 | 243 | 13,382 | 972,057 |
| Professional fees | - | 5,503 | 36,181 | - | 22,617 | 64,301 | 38,916 | 11,384 | 114,601 |
| Rent | 26,486 | 19,536 | 199,873 | 59,697 | 19,593 | 325,185 | 44,180 | 34,177 | 403,542 |
| Staff Training | 3,986 | 3,144 | 17,615 | 7,572 | 6,515 | 38,832 | 4,789 | 4,352 | 47,973 |
| Special events costs | - | - | 239,045 | - | - | 239,045 | - | 6,529 | 245,574 |
| Taxes, dues and fees | 70 | 55 | 5,416 | 958 | 25,111 | 31,610 | 236 | 336 | 32,182 |
| Telephone | 3,651 | 2,880 | 16,132 | 6,934 | 5,966 | 35,563 | 4,386 | 3,985 | 43,934 |
| Travel | 57 | 9,568 | 11,828 | 108 | 93 | 21,654 | 316 | 62 | 22,032 |
| Utilities | 4,071 | 3,003 | 30,723 | 8,054 | 3,012 | 48,863 | 6,791 | 5,253 | 60,907 |
| Total expenses before depreciation | <u>128,468</u> | <u>135,713</u> | <u>2,023,783</u> | <u>310,391</u> | <u>249,029</u> | <u>2,847,384</u> | <u>219,418</u> | <u>329,153</u> | <u>3,395,955</u> |
| Depreciation | <u>737</u> | <u>544</u> | <u>5,564</u> | <u>1,459</u> | <u>545</u> | <u>8,849</u> | <u>1,230</u> | <u>951</u> | <u>11,030</u> |
| Total Expenses | <u>\$ 129,205</u> | <u>\$ 136,257</u> | <u>\$ 2,029,347</u> | <u>\$ 311,850</u> | <u>\$ 249,574</u> | <u>\$ 2,856,233</u> | <u>\$ 220,648</u> | <u>\$ 330,104</u> | <u>\$ 3,406,985</u> |

See accompanying independent auditors' report.
The notes are an integral part of these financial statements.

CITIZENS COMMISSION ON HUMAN RIGHTS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

| | Program Services | | | | | Supporting Services | | | 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 | \$ 86,388 | \$ 64,660 | \$ 292,309 | \$ 140,940 | \$ 109,908 | \$ 694,205 | \$ 111,087 | \$ 76,501 | \$ 881,793 |
| Payroll taxes | 8,616 | 6,078 | 27,301 | 13,316 | 10,221 | 65,532 | 11,079 | 7,630 | 84,241 |
| | <u>95,004</u> | <u>70,738</u> | <u>319,610</u> | <u>154,256</u> | <u>120,129</u> | <u>759,737</u> | <u>122,166</u> | <u>84,131</u> | <u>966,034</u> |
| Contributions to other Scientology organizations | - | - | 82,021 | - | - | 82,021 | - | - | 82,021 |
| Cost of materials sold | - | - | - | 8,325 | - | 8,325 | - | - | 8,325 |
| Fundraising commissions | - | - | - | - | - | - | - | 130,229 | 130,229 |
| Insurance | 2,619 | 1,882 | 12,962 | 4,508 | 2,631 | 24,602 | 3,774 | 2,750 | 31,126 |
| Maintenance | 534 | 394 | 4,028 | 1,055 | 395 | 6,406 | 891 | 689 | 7,986 |
| Office and administrative | 1,147 | 809 | 20,704 | 3,750 | 10,790 | 37,200 | 14,707 | 18,546 | 70,453 |
| Postage and shipping | 761 | 537 | 10,263 | 4,256 | 903 | 16,720 | 979 | 2,909 | 20,608 |
| Printing and promotion | - | - | 685,191 | 6,002 | - | 691,193 | - | 3,448 | 694,641 |
| Professional fees | - | - | - | - | 10,000 | 10,000 | 30,620 | 9,956 | 50,576 |
| Rent | 26,515 | 19,558 | 200,093 | 58,543 | 19,614 | 324,323 | 44,229 | 34,215 | 402,767 |
| Special events costs | 984 | 694 | 3,119 | 1,521 | 1,168 | 7,486 | 1,266 | 872 | 9,624 |
| Taxes, dues and fees | - | - | 284,014 | - | - | 284,014 | - | 31,557 | 315,571 |
| Telephone | 4 | 3 | 12,064 | 8 | 3 | 12,082 | 177 | 540 | 12,799 |
| Travel | 4,529 | 3,195 | 14,353 | 7,000 | 5,373 | 34,450 | 5,825 | 4,011 | 44,286 |
| Utilities | 42 | 30 | 16,674 | 65 | 50 | 16,861 | 54 | 37 | 16,952 |
| | <u>4,627</u> | <u>3,413</u> | <u>34,915</u> | <u>9,153</u> | <u>3,423</u> | <u>55,531</u> | <u>7,718</u> | <u>5,970</u> | <u>69,219</u> |
| Total expenses before depreciation | 136,766 | 101,253 | 1,700,011 | 258,442 | 174,479 | 2,370,951 | 232,406 | 329,860 | 2,933,217 |
| Depreciation | 4,173 | 3,078 | 31,490 | 8,256 | 3,087 | 50,084 | 6,961 | 5,385 | 62,430 |
| Total Expenses | <u>\$ 140,939</u> | <u>\$ 104,331</u> | <u>\$ 1,731,501</u> | <u>\$ 266,698</u> | <u>\$ 177,566</u> | <u>\$ 2,421,035</u> | <u>\$ 239,367</u> | <u>\$ 335,245</u> | <u>\$ 2,995,647</u> |

See accompanying independent auditors' report.
The notes are an integral part of these financial statements.

CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

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 investigating 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 achieves its goals through extensive educational and outreach activities. It conducts research, publishes educational literature, serves as an international informational clearinghouse, hosts educational events, and engages in other public outreach and educational activities, including providing tours of its permanent museum, Psychiatry, the Industry of Death Museum.

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.

With few exceptions, CCHR is no longer subject to U.S. federal and state examinations by tax authorities for years before 2010 and 2009, respectively.

CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

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 Accounting Guide, "Not-For-Profit Organizations." The accounting policies followed are described below.

Net Asset Classes-

The accompanying financial statements present information regarding CCHR's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The three classes are differentiated by donor restrictions:

a- Unrestricted

Net assets that are not subject to donor-imposed restrictions, or donor-restricted contributions whose restrictions are met within the same reporting period.

b- Temporarily Restricted

Net assets that are subject to donor-imposed time or use restrictions that have not been met as of year-end. Temporarily restricted net assets are restricted for time (e.g., multi-year pledges) or specific programs. There were no temporarily restricted net assets at December 31, 2013 and 2012.

c- Permanently Restricted

Net assets subject to donor-imposed restrictions that are maintained permanently. There were no permanently restricted net assets at December 31, 2013 and 2012.

Functional Expense Allocation-

The costs of providing CCHR's programs and the supporting services have been summarized on a functional basis in the statement of activities, and in the statement of functional expenses. Accordingly, certain costs have been allocated between program and supporting services in reasonable ratios determined by management.

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.

CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

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

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. The carrying value approximates fair value.

Inventory-

Inventory is stated at lower of cost or market; 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.

Fair value measurements-

CCHR adopted the Financial Accounting Standards Board issued ASC number 820-10, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction as prescribed by ASC number 820-10. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level I - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include listed equities held in the name of the Organization, and exclude listed equities and other securities held indirectly through commingled funds.

Level II Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

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

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.

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.

Subsequent events-

Management has evaluated subsequent events through September 3, 2014, the date the financial statements were available to be issued.

Note 2 DONATED ASSETS

Donated assets consisted of non-cash donations. These donated assets are recorded as contributions at the fair market value at the time of donation. The fair value of the donated assets has been measured on a nonrecurring basis using quoted prices for similar assets in inactive markets (Level II inputs).

CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

Note 3 FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value at December 31, 2013 and 2012 are as follows:

| | Fair Value | Level I | Level II | Level III |
|--|------------------|-------------|------------------|-------------|
| <u>Measured on a Nonrecurring Basis at December 31, 2013</u> | | | | |
| Donated assets | \$ <u>61,460</u> | \$ <u>-</u> | \$ <u>61,460</u> | \$ <u>-</u> |
| <u>Measured on a Nonrecurring Basis at December 31, 2012</u> | | | | |
| Donated assets | \$ <u>60,143</u> | \$ <u>-</u> | \$ <u>60,143</u> | \$ <u>-</u> |

Note 4 RECEIVABLES

| | 2013 | 2012 |
|--------------------------------------|------------------|------------------|
| License fees receivable | \$ 32,638 | \$ 38,989 |
| Pledges receivable | <u>250</u> | <u>258</u> |
| | 32,888 | 39,247 |
| Less allowance for doubtful accounts | <u>(16,444)</u> | <u>(19,624)</u> |
| | <u>\$ 16,444</u> | <u>\$ 19,623</u> |

Note 5 PROPERTY AND EQUIPMENT

| | 2013 | 2012 |
|-------------------------------|--------------------|--------------------|
| Furniture and equipment | \$ 1,289,318 | \$ 1,267,414 |
| Display fixtures | 720,420 | 720,420 |
| Software | <u>49,509</u> | <u>47,384</u> |
| | 2,059,247 | 2,035,218 |
| Less accumulated depreciation | <u>(2,022,542)</u> | <u>(2,013,611)</u> |
| | <u>\$ 36,705</u> | <u>\$ 21,607</u> |

CITIZENS COMMISSION ON HUMAN RIGHTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 and 2012

Note 6 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 fees receivable are from related parties.

CCHR occupies a facility owned by SBPI, rent free. The approximate fair value of the monthly rent was estimated to be \$32,460, which is included in contributions and rent expenses in the statement of activities.

Included in Due to related party is liability insurance premiums due to CSI under group insurance policies obtained and paid for by CSI, in the amount of \$93,925 and \$76,712 in 2013 and 2012, respectively.

Included in printing and promotion is dissemination expenses paid to related parties in the amount of \$654,505 and \$11,607, in 2013 and 2012, respectively.

Included in contributions from related party is CCHR's operating expenses paid by CSI in the amount of \$57,475 and \$18,000, in 2013 and 2012, respectively.

Note 7 CONCENTRATION OF CREDIT RISK

Cash and cash equivalents include approximately \$176,445 in excess of insured limits as of December 31, 2012. Cash balances did not exceed the FDIC insured limits at December 31, 2013.