Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2019

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Contents

Tel: 212-371-4446
Fax: 212-371-9374
www.bdo.com

622 Third Avenue, 31st Floor
New York, NY 10017

Independent Auditor’s Report

The Board of Directors
Physicians for Human Rights, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Physicians for Human Rights, Inc. (the Entity), which comprise the statement of financial position as of June 30, 2019, 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.

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, 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 Physicians for Human Rights, Inc. as of June 30, 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 Physicians for Human Rights, Inc.'s 2018 financial statements, and our report dated February 19, 2019 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

February 26, 2020

Physicians for Human Rights, Inc.

Statement of Financial Position
(with comparative totals for 2018)

June 30,		2019		2018
Assets				
Current Assets				
Cash and cash equivalents (Note 2)	$	**2,759,696**	$	2,626,248
Investments (Notes 2, 4 and 7)		**6,899,592**		3,180,647
Grants and contributions receivable, current portion (Notes 2 and 5)		**1,799,763**		3,254,092
Prepaid expenses and other assets (Note 2)		**83,931**		211,191
Total Current Assets		**11,542,982**		9,272,178
457 Plan Assets Held for Others (Notes 2, 4 and 11)		**98,312**		82,583
Grants and Contributions Receivable, net of current portion and discount (Notes 2 and 5)		**193,251**		237,455
Fixed Assets, Net (Notes 2 and 6)		**180,117**		224,281
Security Deposits (Note 2)		**294,559**		54,608
Total Assets	$	**12,309,221**	$	9,871,105
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$	**236,203**	$	216,728
Accrued expenses		**180,394**		276,638
Total Current Liabilities		**416,597**		493,366
Line of Credit (Note 7)		**-**		487,432
Deferred Compensation Payable (Note 11)		**98,312**		82,583
Deferred Rent (Note 12)		**104,921**		100,643
Total Liabilities		**619,830**		1,164,024
Commitments and Contingencies (Notes 2, 7, 10, 11, 12 and 13)				
Net Assets (Notes 2 and 8)				
Net assets without donor restrictions		**3,820,953**		2,332,972
Net assets with donor restrictions		**7,868,438**		6,374,109
Total Net Assets		**11,689,391**		8,707,081
Total Liabilities and Net Assets	$	**12,309,221**	$	9,871,105

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Activities
(with comparative totals for 2018)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
Support and Revenue				
Grants	$ 1,926,550	$ 1,301,713	**$ 3,228,263**	$ 1,798,269
One-time gifts	-	3,500,000	**3,500,000**	1,500,000
Federal support	746,377	-	**746,377**	1,442,425
Individual contributions	1,520,916	-	**1,520,916**	1,639,691
Contributed services (Notes 2 and 9)	2,738,150	-	**2,738,150**	1,151,325
Investment income, net (Note 2)	165,726	-	**165,726**	166,887
Other revenue	18,244	-	**18,244**	29,020
Net assets released from restrictions (Note 8)	3,307,384	(3,307,384)	**-**	-
Total Support and Revenue, before special events	10,423,347	1,494,329	**11,917,676**	7,727,617
Special Events				
Gala revenue	1,051,637	-	**1,051,637**	833,391
Less: direct expense to donors	(252,585)	-	**(252,585)**	(212,056)
Net Revenue from Special Events	799,052	-	**799,052**	621,335
Total Support and Revenue, including special events	11,222,399	1,494,329	**12,716,728**	8,348,952
Operating Expenses				
Program services	8,500,298	-	**8,500,298**	6,541,722
Fundraising	913,271	-	**913,271**	812,940
Management and general	312,166	-	**312,166**	283,743
Total Operating Expenses	9,725,735	-	**9,725,735**	7,638,405
Change in Net Assets, before other expenses	1,496,664	1,494,329	**2,990,993**	710,547
Other Expenses				
Interest expense	8,683	-	**8,683**	42,718
Change in Net Assets	1,487,981	1,494,329	**2,982,310**	667,829
Net Assets, beginning of year	2,332,972	6,374,109	**8,707,081**	8,039,252
Net Assets, end of year	$ 3,820,953	$ 7,868,438	**$ 11,689,391**	$ 8,707,081

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Functional Expenses
(with comparative totals for 2018)

Year ended June 30,

		Supporting Services			Total	
	Program Services	Fundraising	Management and General	Total Supporting Services	**2019**	2018
Personnel						
Salaries	$ 2,332,748	$ 378,342	$ 60,800	$ 439,142	**$ 2,771,890**	$ 2,739,047
Payroll taxes and benefits	402,445	64,722	10,581	75,303	**477,748**	463,483
Retirement plan contribution	97,703	17,098	2,795	19,893	**117,596**	107,455
Total Personnel Expenses	2,832,896	460,162	74,176	534,338	**3,367,234**	3,309,985
Occupancy						
Rent (Note 12)	360,946	32,028	37,708	69,736	**430,682**	436,453
Utilities	34,958	3,612	4,901	8,513	**43,471**	43,819
Total Occupancy Expenses	395,904	35,640	42,609	78,249	**474,153**	480,272
Other Expenses						
Bank, payroll, and filing fees	21,378	892	48,364	49,256	**70,634**	53,615
Consultants and stipends (Note 9)	4,188,782	83,718	48,739	132,457	**4,321,239**	2,659,028
Professional fees	43,120	4,448	6,132	10,580	**53,700**	50,829
Equipment rental	8,530	1,095	1,541	2,636	**11,166**	12,375
Insurance	39,677	5,094	7,173	12,267	**51,944**	53,403
Internet/telephone expense	83,714	7,385	10,640	18,025	**101,739**	71,306
Meetings and conferences	26,348	5,391	14,242	19,633	**45,981**	99,287
Office supplies	78,508	9,901	7,863	17,764	**96,272**	117,293
Printing and duplication	42,082	5,695	66	5,761	**47,843**	39,337
Program supplies	34,041	9,528	-	9,528	**43,569**	55,638
Constituency building	254,098	241,178	-	241,178	**495,276**	51,334
Travel	427,331	12,369	15,696	28,065	**455,396**	482,599
Miscellaneous	10,393	30,775	4,257	35,032	**45,425**	46,930
Total Other Expenses	5,258,002	417,469	164,713	582,182	**5,840,184**	3,792,974
Depreciation	13,496	-	30,668	30,668	**44,164**	55,174
Total Expenses	$ 8,500,298	$ 913,271	$ 312,166	$ 1,225,437	**$ 9,725,735**	$ 7,638,405

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Cash Flows
(with comparative totals for 2018)

Year ended June 30,		**2019**		2018
Cash Flows from Operating Activities				
Change in net assets	$	**2,982,310**	$	667,829
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Realized loss on sale of investments		**111,889**		13,591
Unrealized gain on investments		**(173,716)**		(101,996)
Donated stock		**(17,684)**		(78,807)
Depreciation		**44,164**		55,174
Changes in assets and liabilities:				
(Increase) decrease in:				
Grants and contributions receivable		**1,498,533**		(1,438,278)
Prepaid expenses and other assets		**127,260**		(112,175)
Security deposits		**(239,951)**		(200)
Increase (decrease) in:				
Accounts payable		**19,475**		(27,851)
Accrued expenses		**(96,244)**		(12,145)
Deferred compensation payable		**15,729**		23,482
Deferred rent		**4,278**		(11,694)
Net Cash Provided by (Used in) Operating Activities		**4,276,043**		(1,023,070)
Cash Flows from Investing Activities				
Purchases of investments		**(6,963,021)**		(1,490,064)
Proceeds from sales of investments		**3,307,858**		1,466,470
Net Cash Used in Investing Activities		**(3,655,163)**		(23,594)
Cash Flows from Financing Activities				
Paydown of line of credit		**(487,432)**		(1,000,000)
Net Cash Used in Financing Activities		**(487,432)**		(1,000,000)
Net Increase (Decrease) in Cash and Cash Equivalents		**133,448**		(2,046,664)
Cash and Cash Equivalents, beginning of year		**2,626,248**		4,672,912
Cash and Cash Equivalents, end of year	$	**2,759,696**	$	2,626,248
Supplemental Disclosure of Cash Flow Information				
Interest paid	$	**8,683**	$	42,718

See accompanying notes to financial statements.

1. Nature of Organization

Physicians for Human Rights, Inc. (the Entity) is a not-for-profit 501(c)(3) organization that uses medicine and science to document and call attention to mass atrocities and severe human rights violations. The Entity leverages the specialized skills and credible voices of health professionals to document human rights violations and seek justice for victims of these crimes. The Entity's investigations and expertise are used to advocate for persecuted health workers, prevent torture, document mass atrocities, and hold those who violate human rights accountable. The Entity's headquarters are located in New York, New York, with additional offices in Boston, Massachusetts; Washington, DC and Kenya.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared on an accrual basis of accounting and have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In the statement of financial position, assets are presented in order of liquidity or conversion to cash. Liabilities are presented in order of their maturity resulting in the use of cash.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Income from investment gains and losses, including unrealized gains and losses, dividends, interest and other investments, should be reported as increases (or decreases) in unrestricted net assets, unless the use of the income received is limited by donor-imposed restrictions.

These classes are defined as follows:

With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Entity reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

See Note 8 for more information on the composition of net assets with donor restrictions and the releases from restrictions, respectively.

Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Cash and Cash Equivalents

The Entity considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. At various times during the year, the Entity may have cash deposits at financial institutions in excess of Federal Deposit Insurance Corporation insurance limits.

The Entity has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash accounts.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. U.S. GAAP established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and their placement within the fair value hierarchy. The Organization classifies fair value balances based on the fair value hierarchy defined by U.S. GAAP as follows:

Level 1 - Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.

Level 2 - Valuations are based on (i) quoted prices—those investments, or similar investments, in active markets; (ii) quoted prices—those investments, or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those investments or similar investments that are redeemable at or near the balance sheet date and for which a model was derived for valuation.

Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments; (ii) the investments cannot be independently valued; or (iii) the investments cannot be immediately redeemed at or near the fiscal year-end.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investment income is recognized when earned, and consists of interest, dividends, and realized and unrealized gains and losses. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Grants and Contributions Receivable

The Entity evaluates the discount on the grants and contributions receivable balance annually. Grants and contributions are grouped based on the due date of each individual grant and contribution payment, and the discount rate is determined by the risk-free rate at the time of evaluation.

Provision for Bad Debts

The Entity provides allowances for grants and contributions receivable and amounts due from government agencies that are specifically identified by management as to their uncertainty in regard to collectability. At June 30, 2019, there was no allowance for doubtful accounts recorded.

Revenue Recognition

Revenue from government grants and contracts is recognized as earned—that is, as related costs are incurred under such agreements, services are rendered—or when applicable performance-based milestones are reached. Reimbursements are subject to audit and retroactive adjustments by the respective third-party fiscal intermediary. Revenue from retroactive adjustments is recognized in the year the adjustments are made.

Grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with grantor-imposed restrictions.

Contributions received, including unconditional promises to give, if any, are reported at their net realizable values. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit their use or if they are intended to support activities in future periods. Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as unrestricted income.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and other disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

Fixed Assets

Fixed assets are recorded at cost or, if donated, at the estimated fair market value at the date of the donation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, as follows:

	Years
Furniture and equipment	3-10
Leasehold improvements	10

Maintenance and repair costs are charged to expense as incurred and major renewals and betterments are capitalized. When fixed assets are retired or sold, the related carrying value and accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income.

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes.

Impairment of Long-Lived Assets

The Entity reviews long-lived assets, including fixed assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2019, there have been no such losses.

Income Taxes

The Entity was incorporated in the state of Massachusetts and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, has made no provision for income taxes in the accompanying financial statements. The Entity has been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a) of the IRC. There was no unrelated business income for 2019.

Under Accounting Standards Codification (ASC) 740, “Accounting for Uncertainty in Income Taxes,” an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The implementation of ASC 740 had no impact on the Entity’s financial statements. The Entity does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Entity has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Entity has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2019, there were no interest or penalties recorded or included in the statement of activities.

Functional Allocation of Expenses

Costs associated with the Entity’s programs and administrative activities are summarized on a functional basis in the statement of functional expenses. Accordingly, certain indirect costs are allocated by management among the program and support services benefited, including salaries, rent, utilities, internet/telephone expense, insurance and professional fees, based on the corresponding percentages of direct expenses for the year.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information. With respect to the statement of functional expenses, the prior-year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Entity's financial statements for the year ended June 30, 2018.

Concentration of Credit Risk

Financial instruments that potentially subject the Entity to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Entity has cash deposits at financial institutions, which exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. The Entity has not experienced any losses on cash and cash equivalents.

Reclassifications

Certain prior-year balances have been reclassified to be consistent with the current year's financial statement presentation. The reclassifications have no effect on the net assets or operating results from the prior year.

Investment Impairment

The Entity considered the following evidence in reaching the conclusion that the unrealized loss on fixed-income instruments was not other-than-temporary:

(a) whether or not it intended to sell its investments before the full recovery of cost basis

(b) whether or not it will be required to sell its investments before the full recovery of cost basis

Risks and Uncertainties

The Entity's investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of the Entity's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Recently Adopted Accounting Pronouncement

Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954)—Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954)—Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”; (b) modifying the presentation of underwater endowment funds and related disclosures; (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise; (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs; (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (f) presenting investment return net of external and direct expenses; and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Entity’s financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented, although certain optional practical expedients are available for periods prior to adoption. Management has adopted this ASU as of and for the year ended June 30, 2019.

Accounting Pronouncements Issued but Not Yet Adopted

Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606),” which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14, which deferred the effective date for the Entity until annual periods beginning after December 15, 2018. Earlier adoption is permitted, subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its financial statements.

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842),” to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its ROU underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Entity’s fiscal years beginning after December 15, 2019, with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

In June 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.” This ASU clarifies the guidance presented in Topic 958, “Not-for-Profit Entities,” of the FASB ASC for evaluating whether a transaction is reciprocal (i.e. an exchange transaction) or nonreciprocal (i.e. a contribution) and for distinguishing between conditional and unconditional contributions. The ASU may be adopted using either: (a) the modified prospective basis, with no restatement of opening net assets or (b) the full retrospective method. Under the modified prospective basis, the ASU is applied to agreements that are not completed as of the effective date, with the ASU's guidance applied onto the portion of revenue or expenses not yet recognized or entered into after the effective date. The ASU will be effective for fiscal years beginning after December 15, 2018. Earlier adoption is permitted. Management is currently evaluating the impact of this ASU on the financial statements.

Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement

In August 2018, the FASB issued ASU No. 2018-13, "Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement." The update modifies certain disclosure requirements in Topic 820, "Fair Value Measurement." The standard is effective for non-public business entities for fiscal years beginning after December 15, 2019, and management is currently evaluating the impact of this ASU on its financial statements.

3. Liquidity and Availability of Resources

The Entity's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

June 30, 2019		
Cash and cash equivalents	$	2,759,696
Investments		6,899,592
Grants and contributions receivable, current portion		1,799,763
Total Financial Assets Available		11,459,051
Less:		
Amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose or time		7,868,438
Total Financial Assets Unavailable for General Expenditures		7,868,438
Total Financial Assets Available to Management for General Expenditures Within One Year	$	3,590,613

Liquidity Management

As part of the Entity's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Entity invests cash in excess of daily requirements in short-term investments including mutual funds, money market funds, equity securities, bonds and certificate of deposits, all of which can be liquidated within 12 months, to help manage unanticipated liquidity needs.

4. Investments

The following table sets forth by level, within the fair value hierarchy, the Entity's investments at fair value:

June 30, 2019

	Level 1	Level 2	Level 3	Fair Value
Mutual Funds	$ 6,899,592	$ -	$ -	$ 6,899,592
Total Investments, at fair value	$ 6,899,592	$ -	$ -	$ 6,899,592

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds – These assets are valued at the net asset value of shares held by the Entity at year-end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Entity believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Grants and Contributions Receivable

Grants and contributions receivable consisted of the following:

June 30, 2019	
Receivables in less than one year	$ 1,799,763
Receivables in one to three years	193,251
Total	$ 1,993,014

6. Fixed Assets, Net

Fixed assets, net, consisted of the following:

June 30, 2019	
Furniture and equipment	$ 279,588
Leasehold improvements	125,677
	405,265
Less: accumulated depreciation	(225,148)
Total Fixed Assets, Net	$ 180,117

For the year ended June 30, 2019, depreciation expense was $44,164.

7. Line of Credit

On February 28, 2019, the Entity entered a line of credit agreement, with the approved credit facility of $1,800,000. The amount borrowed under the line of credit is subject to interest at the 30-day LIBOR rate plus applicable margin of 3.4% and an additional rate of 3% per annum. At June 30, 2019, the Entity had the entire $1,800,000 available to draw.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following:

June 30, 2019		
Time-restricted for general use	$	1,250,000
Sexual Violence in Conflict Zones		887,201
Research and investigations		924,511
Asylum		121,249
Growth Campaign		4,685,477
	$	7,868,438

Net assets released from donor restrictions consisted of the following:

Year ended June 30, 2019		
Time-restricted for general use	$	251,945
Sexual Violence in Conflict Zones		688,632
Research and investigations		337,007
Campaign Against Torture		10,826
International Torture		96,936
Growth Campaign		1,181,634
Long-term fund		740,404
	$	3,307,384

9. Contributed Services

The Entity receives contributions of medical and scientific consultation, office space rental, research and representation services that qualify for financial statement recognition. The fair value of contributed items totaled $2,738,150 in 2019, which is included in contributed services on the statement of activities and in consultants and stipends on the statement of functional expenses.

10. Reimbursement Grants

The Entity has certain reimbursement grants and contracts for which revenue is recognized as associated reimbursable costs are incurred. At June 30, 2019, the Entity has $65,462 in available reimbursements under these agreements that have yet to be recognized as support and revenue.

11. Defined Contribution Plans

The Entity sponsors a defined contribution plan for all employees meeting certain eligibility requirements, which qualifies as a 403(b) plan under the IRC. The Entity made contributions of $99,096 during the year ended June 30, 2019.

Additionally, the Entity has a 457(b) eligible deferred compensation plan for a certain officer of the Entity. Such an agreement allows for contributions to be made to the plan through salary reductions from the officer's compensation, as well as through matching and discretionary contributions from the Entity. The Entity made contributions of $18,500 during the year ended June 30, 2019. The total amount of this asset and liability was $98,312 as of June 30, 2019.

12. Commitments

The Entity leases its main offices in New York, New York under a noncancelable lease through June 2024. The lease requires monthly payments of base rent plus the Entity's proportionate share of increases in operating costs. The base rent escalates on an annual basis over the term of the lease. As such, rental expense is recognized on a straight-line basis, with the amount paid under this agreement of $319,819, as compared to rental expense recognized of $323,713 for the year ended June 30, 2019. The difference between rent expense recorded and the amount paid is credited to deferred rent in the accompanying statement of financial position, which was $3,894 as of June 30, 2019.

The Entity also leases space in Boston, Massachusetts under a noncancelable lease expiring in August 2020. The total expense was $44,869 for June 30, 2019.

Total rent expenses for the year ended June 30, 2019 amounted to $430,682.

Future minimum payments required under these operating leases are as follows:

Year ending June 30,	Washington D.C.	Boston	New York	Total
2020	$ 10,872	$ 46,922	$ 327,814	$ 385,608
2021	-	7,861	336,010	343,871
2022	-	-	344,410	344,410
2023	-	-	353,020	353,020
2024	-	-	361,846	361,846
	$ 10,872	$ 54,783	$ 1,723,100	$ 1,788,755

Additionally, the Entity leases various office space under a tenant-at-will arrangement. Aggregate rent expense was $18,798 for the year ended June 30, 2019.

13. Concentrations of Risk

During the year ended June 30, 2019, the Entity received approximately 47% of its grants, service contracts and federal support revenue from five grantors. Included in grant and contribution receivables at June 30, 2019, is $1,720,459 due from these grantors.

14. Subsequent Events

The Entity has evaluated subsequent events through February 26, 2020, the date the financial statements were available to be issued and determined that there have been no events that have occurred that would require adjustment to the financial statements.