Physicians for Human Rights, Inc.

Financial Statements
Year Ended June 30, 2020

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Contents

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

622 Third Ave, Suite 3100
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., which comprise the statement of financial position as of June 30, 2020, 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, 2020, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Physicians for Human Rights, Inc.'s 2019 financial statements, and our report dated February 26, 2020 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, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

February 23, 2021

Physicians for Human Rights, Inc.

Statement of Financial Position
(with comparative totals for 2019)

June 30,	**2020**	2019
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	**$ 6,359,491**	$ 2,759,696
Investments (Notes 2, and 4)	**7,311,109**	6,899,592
Grants and contributions receivable, current portion (Notes 2 and 5)	**1,981,309**	1,799,763
Prepaid expenses and other assets (Note 2)	**408,069**	83,931
Total Current Assets	**16,059,978**	11,542,982
457 Plan Assets Held for Others (Notes 2, 4 and 11)	**128,738**	98,312
Grants and Contributions Receivable, net of current portion and discount (Notes 2 and 5)	**698,807**	193,251
Fixed Assets, Net (Notes 2 and 6)	**139,008**	180,117
Security Deposits (Note 2)	**296,780**	294,559
Total Assets	**$ 17,323,311**	$ 12,309,221
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 210,268**	$ 236,203
Accrued expenses	**204,558**	180,394
Total Current Liabilities	**414,826**	416,597
Deferred Compensation Payable (Note 11)	**128,738**	98,312
Deferred Rent (Note 12)	**104,921**	104,921
Loan Payable (Note 7)	**695,645**	-
Total Liabilities	**1,344,130**	619,830
Commitments and Contingencies (Notes 2, 3, 7, 8, 10, 11, 12, 13 and 14)		
Net Assets (Notes 2 and 8)		
Net assets without donor restrictions	**4,892,184**	3,820,953
Net assets with donor restrictions	**11,086,997**	7,868,438
Total Net Assets	**15,979,181**	11,689,391
Total Liabilities and Net Assets	**$ 17,323,311**	$ 12,309,221

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Activities
(with comparative totals for 2019)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Support and Revenue				
Grants	$ 1,711,257	$ 3,323,074	**$ 5,034,331**	$ 3,228,263
One-time gifts	-	3,000,000	**3,000,000**	3,500,000
Federal support	65,462	-	**65,462**	746,377
Individual contributions and special events, net of direct expenses of $44,129	2,680,845	-	**2,680,845**	2,319,968
Contributed services (Notes 2 and 9)	2,751,087	-	**2,751,087**	2,738,150
Investment income, net (Note 2)	433,840	-	**433,840**	165,726
Other revenue	12,698	-	**12,698**	18,244
Net assets released from restrictions (Note 8)	3,104,515	(3,104,515)	**-**	-
Total Support and Revenue,	10,759,704	3,218,559	**13,978,263**	12,716,728
Operating Expenses				
Program services	8,620,631		**8,620,631**	8,500,298
Fundraising	785,317		**785,317**	913,271
Management and general	282,525		**282,525**	312,166
Total Expenses	9,688,473		**9,688,473**	9,725,735
Change in Net Assets, before other expenses	1,071,231	3,218,559	**4,289,790**	2,990,993
Other Expenses				
Interest expense	-	-	**-**	8,683
Change in Net Assets	1,071,231	3,218,559	**4,289,790**	2,982,310
Net Assets, beginning of year	3,820,953	7,868,438	**11,689,391**	8,707,081
Net Assets, end of year	$ 4,892,184	$ 11,086,997	**$ 15,979,181**	$ 11,689,391

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Functional Expenses
(with comparative totals for 2019)

	Program Services	Supporting Services: Fundraising	Supporting Services: Management and General	Supporting Services: Total Supporting Services	Total Expenses: **2020**	Total Expenses: 2019
Expenditures						
Personnel						
Salaries	$ 2,778,322	$ 310,041	$ 88,876	$ 398,918	**$ 3,177,239**	$ 2,771,890
Payroll taxes and benefits	444,770	53,457	14,338	67,795	**512,564**	477,748
Retirement plan contribution	128,743	14,367	4,118	18,485	**147,228**	117,596
Total Personnel Expenses	3,351,834	377,865	107,333	485,198	**3,837,032**	3,367,234
Occupancy						
Rent	363,797	42,486	31,846	74,331	**438,128**	430,682
Utilities	34,013	4,403	3,301	7,704	**41,717**	43,471
Total Occupancy Expenses	397,810	46,889	35,146	82,035	**479,845**	474,153
Other Expenses						
Bank, payroll, and filing fees	12,326	797	29,829	30,626	**42,952**	70,634
Consultants and stipends	3,955,556	26,543	27,295	53,838	**4,009,393**	4,321,239
Professional fees	38,012	4,949	3,709	8,658	**46,670**	53,700
Equipment rental	10,973	1,213	909	2,123	**13,096**	11,166
Insurance	40,705	6,733	8,024	14,757	**55,462**	51,944
Internet/telephone expense	93,087	9,688	6,691	16,379	**109,466**	101,739
Meetings and conferences	23,982	933	7,619	8,552	**32,533**	45,981
Office supplies/software fees	64,556	5,803	4,010	9,814	**74,370**	96,272
Printing and duplication	35,251	5,101	60	5,161	**40,413**	47,843
Program supplies/training materials	32,471	5,630	4,550	10,180	**42,651**	43,569
Constituency building	220,933	223,789	-	223,789	**444,722**	495,276
Travel	261,647	10,871	4,849	15,720	**277,367**	455,396
Miscellaneous	81,489	58,513	1,392	59,903	**141,392**	45,425
Total Other Expenses	4,870,987	360,563	98,936	459,500	**5,330,487**	5,840,184
Depreciation	-	-	41,109	41,109	**41,109**	44,164
Total Expenses	$ 8,620,631	$ 785,317	$ 282,525	$ 1,067,842	**$ 9,688,473**	$ 9,725,735

See accompanying notes to financial statements.

Physicians for Human Rights, Inc.

Statement of Cash Flows
(with comparative totals for 2019)

Year ended June 30,	2020	2019
Cash Flows from Operating Activities		
Change in net assets	$ **4,289,790**	$ 2,982,310
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized loss on sale of investments	**535**	111,889
Unrealized gain on investments	**(91,670)**	(173,716)
Discount on pledges receivable	**1,712**	-
Donated stock	**-**	(17,684)
Depreciation	**41,109**	44,164
Changes in assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	**(688,814)**	1,498,533
Prepaid expenses and other assets	**(324,138)**	127,260
Security deposits	**(2,221)**	(239,951)
Increase (decrease) in:		
Accounts payable	**(25,935)**	19,475
Accrued expenses	**24,164**	(96,244)
Deferred compensation payable	**30,426**	15,729
Deferred rent	**-**	4,278
Net Cash Provided by Operating Activities	**3,254,958**	4,276,043
Cash Flows from Investing Activities		
Purchases of investments	**(351,724)**	(6,963,021)
Proceeds from sales of investments	**916**	3,307,858
Net Cash Used in Investing Activities	**(350,808)**	(3,655,163)
Cash Flows from Financing Activities		
Paydown of line of credit	**-**	(487,432)
Proceeds from loan payable	**695,645**	-
Net Cash Provided by (Used in) Financing Activities	**695,645**	(487,432)
Net Increase in Cash and Cash Equivalents	**3,599,795**	133,448
Cash and Cash Equivalents, beginning of year	**2,759,696**	2,626,248
Cash and Cash Equivalents, end of year	$ **6,359,491**	$ 2,759,696
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ **-**	$ 8,683

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.

Program General

The Entity works globally and within the United States to investigate and document human rights violations, give voice to survivors and witnesses and plant seeds of reconciliation by ensuring that perpetrators can be held accountable for their crimes.

Research and Investigation

The Entity's Research and Investigations team mobilizes health professionals, forensic scientists and other experts worldwide to investigate and expose allegations of human rights abuses, using the power of science and forensic medicine to meticulously document evidence of sexual violence, torture and other violations.

Sexual and Gender Based Violence

The Entity's Program on Sexual Violence in Conflict Zones forges critical partnerships that are dramatically increasing local capacity to forensically document and prosecute cases of sexual violence during and after armed conflict, with programs in Kenya, the Democratic Republic of the Congo, Iraq and elsewhere. The program's centerpieces are multisectoral training and capacity building and innovative tools to enable clinicians to support justice for survivors, including MediCapt, a mobile application that guides health workers to securely document, store and transfer evidence of sexual violence.

Advocacy

The Entity's Advocacy team works to reform policies, practices and laws that directly violate human rights standards or undermine human rights protections.

Communications

The Entity's Communications team elevates the findings of our work to influence public debate and policy, raise awareness about human rights abuses and engage more health workers and other supporters in our work on behalf of human rights.

Asylum

For more than 30 years, volunteer health professionals in the Entity's Asylum Network have supported survivors of torture and ill-treatment by conducting forensic medical evaluations that can document compelling evidence of physical and psychological trauma and improve the odds that they will be granted refuge in the United States.

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.

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 restrictions 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.

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.

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 (FDIC) 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 statement of financial position 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.

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:

- Whether or not it intended to sell its investments before the full recovery of cost basis
- Whether or not it will be required to sell its investments before the full recovery of cost basis

As of June 30, 2020, there has been no impairments.

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, 2020, 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	Lesser of lease term or 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, 2020, 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 the year ended June 30, 2020.

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, 2020, there were no interest or penalties recorded or included in the statement of activities. The Entity is subject to routine audits by a taxing authority. As of June 30, 2020, the Entity was not subject to any examination by a taxing authority.

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Entity's financial statements for the year ended June 30, 2019.

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 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.

Recently Adopted Accounting Pronouncement

Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Board (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred, which, depending on the outcome, determines whether the Entity follows contribution guidance or exchange transactions guidance in the revenue recognition and other applicable standards. The ASU also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The ASU is effective for transactions in which the Entity serves as the resource recipient to annual periods beginning after December 15, 2018. Management has adopted the ASU as of and for the year ended June 30, 2020. There was no significant impact on the financial statements.

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*, 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 also issued ASU 2020-05, which deferred the effective date for the Entity until annual periods beginning after December 15, 2019. 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)

On February 25, 2016, the FASB issued ASU 2016-02, *Leases*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The FASB also issued ASU 2020-05, which deferred the effective date for the Entity until annual periods beginning after December 15, 2021. Management is currently evaluating the impact of this ASU on its 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 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, 2020	
Cash and cash equivalents	$ 6,359,491
Investments	7,311,109
Grants and contributions receivable, current portion	1,981,309
Total Financial Assets Available	15,651,909
Less:	
Amounts unavailable for general expenditures within one year due to:	
Restricted by donors with purpose or time	(11,086,997)
Total Financial Assets Available to Management for General Expenditures Within One Year	$ 4,564,912

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, 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, 2020

	Level 1	Level 2	Level 3	Fair Value
Mutual funds	$ 7,311,109	$ -	$ -	$ 7,311,109

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, Net

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promised to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate of 2.5%.

Grants and contributions receivable consisted of the following:

June 30, 2020

Receivables in less than one year	$ 1,981,309
Receivables in one to three years	700,519
	2,681,828
Less: discount to present value	(1,712)
	$ 2,680,116

6. Fixed Assets, Net

Fixed assets of the following:

June 30,		
Furniture and equipment	$	277,334
Leasehold improvements		125,676
		403,010
Less: accumulated depreciation		(264,002)
Total Fixed Assets	$	139,008

For the year ended June 30, 2020, depreciation expense was $41,109.

7. Loan Payable

Small Business Administration – Paycheck Protection Program Loan

The Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was enacted by the President of the United States on March 27, 2020, which appropriated funds for the United States Small Business Administration Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans, to provide liquidity to small businesses harmed by the COVID-19 outbreak. The COVID-19 outbreak is further discussed in note 13.

In April 2020, The Entity applied and received approval for loans under the PPP administered by the United States Small Business Administration. The loan may be partially or fully forgiven if businesses keep employee head counts and wages stable. As of June 30, 2020, PHR has a PPP loan balance of $695,645. The loans are serviced by BlueVine and, if not forgiven, have an interest rate of 1% and would mature in April 2022. Management believes the PPP loans will be fully or partially forgiven.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following:

June 30, 2020		
Time-restricted for general use	$	600,000
Sexual Violence in Conflict Zones		3,237,586
Research and investigations		585,128
Asylum		161,532
Growth Campaign		6,502,751
	$	11,086,997

Net assets released from donor restrictions consisted of the following:

Year ended June 30, 2020		
Time-restricted for general use	$	919,864
Sexual Violence in Conflict Zones		340,637
Research and investigations		557,081
Asylum		104,208
Growth Campaign		1,182,725
	$	3,104,515

The Entity has met the terms related to the Growth Campaign as of June 30, 2020.

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 $2,751,087 the year ended June 30, 2020, 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, 2020, the Entity has $65,461 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 $124,978 during the year ended June 30, 2020.

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 $22,250 during the year ended June 30, 2020. The total amount of this asset and liability was $128,738 as of June 30, 2020.

12. Commitments

Operating Leases

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 $327,814, as compared to rental expense recognized of $323,713 for the year ended June 30, 2020. Deferred rent amounted to $4,101 for the year ended June 30, 2020.

The Entity also leases space in Boston, Massachusetts under a noncancelable lease expiring in August 2020. The total expense was $7,478 for June 30, 2020.

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

Year ending June 30,	Boston	New York	Total
2021	$ 7,861	$ 336,010	$ 343,871
2022	-	344,410	344,410
2023	-	353,020	353,020
2024	-	361,846	361,846
	$ 7,861	$ 1,395,286	$ 1,403,147

Additionally, the Entity leases various office space under a tenant-at-will arrangement. Aggregate rent expense was $438,128 for the year ended June 30, 2020.

13. Risks and Uncertainties

Concentrations

During the year ended June 30, 2020, the Entity received approximately 71% of its grants, service contracts and federal support revenue from five concentrations. Included in grant and contribution receivables at June 30, 2020 is $2,667,158 due from these grantors.

Investment Risk

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.

COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of COVID-19 outbreak, the Entity has incurred, and is expected to incur for the foreseeable future, incremental and other COVID-19 pandemic-related expenses. COVID-19-related expenses consist of additional costs that the Entity is incurring to protect its employees, contractors and customers, and to support social distancing requirements resulting from the COVID-19 pandemic. These costs include, but are not limited to, new or added benefits provided to employees, the purchase of additional personal protection equipment and disinfecting supplies, additional facility-cleaning services, initiated programs and communications to customers on utility response, and increased technology expenses to support remote working, where possible.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on the Entity's financial condition, liquidity and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19 outbreak. Nevertheless, the COVID-19 outbreak presents material uncertainty and risk with respect to the Entity, its performance and its financial results.

Although the Entity cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, it may have an adverse effect on the Entity's results of future operations, financial position, and liquidity in fiscal year 2021.

14. Subsequent Events

The Entity's management has performed subsequent events procedures through February 23, 2020, which is the date the financial statements were available to be issued, and other than as noted in Note 13, there were no other subsequent events requiring adjustment to the financial statements or disclosures, except:

On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021 (the Act), which includes $900 billion in stimulus relief as a result of COVID-19. The Entity is currently evaluating the impact of the Act.